

BULLER ELECTRIC POWER TRUST

March 2011

Version 4

BULLER ELECTRIC POWER TRUST

THIS DEED is made on the 16th day of June 2011

BETWEEN BULLER ELECTRICITY LTD a duly incorporated company with its registered office at Robertson Street, Westport (hereinafter called "the Company")

AND

**Craig Matthew Scanlon
Rosalie Mary Sampson
Jan Christine Coll
Gail Louise Howard
Alistair David Orchard**

(hereinafter called "the Trustees")

WHEREAS

- A. By trust deed dated 18 May 1993 made between the Company and Bruce Neville Hamilton, Garry Cyril Howard, Wilfred Ernest Lineham, Clark David Nicholson and John Desmond O'Connor (the Original Trustees) Buller Electric Power Trust was formed with the Original Trustees as trustees for the purpose of (inter alia) holding all the shares of the Company.
- B. The Trustees are the trustees for the time being of Buller Electric Power Trust.
- C. The original trust deed has been previously amended by deed dated 18 May 1993 actually drafted between 18 May 1993 and 12 December 2000 (on which date the amended deed was approved at a public meeting called for that purpose) but never signed but which was instead adopted by the Trustees by deed made the 1st June 2010.
- D. The parties hereto wish to further amend the earlier trust deeds by the execution of this deed.

1. DEFINITIONS AND CONSTRUCTION

1.1 **Definitions:** In this Deed, unless the context otherwise requires:

- (a) **"Act"** means the Energy Companies Act 1992;
- (b) **"Balance Date"** means the 31st day of March or any other date adopted as the end of the Financial Year from time to time by the Company;
- (c) **"Bank"** means any bank listed in the register of registered banks referred to in section 69 of The Reserve Bank of New Zealand Act 1989 or any Building Society coming within the purview of Section 2 of the Building Societies Act 1965.
- (d) **"Board"** means the Buller Electric Power Board constituted by section 10 of the Electric Power Boards Act 1925;

- (e) **"Company"** means Buller Electricity Limited and/or any successor company;
- (f) **"Consumers"** means the persons who at any appropriate date designated from time to time by the Trustees,
- (i) are named in the records of the Company as being liable (whether alone or jointly with any person) under the terms of any contract between the Company and any person, for the payment of any amount payable in respect of the connection by that person to the Company's distribution network pursuant to that contract; or
- (ii) are named in the records of the Company as persons whose premises are connected to the Company's distribution network and who are liable (whether alone or jointly with any other person) to the Company or some other energy company for the payment of any amount in respect of use of a connection to the Company's distribution network.
- (g) **"This Deed"** means this deed and includes the schedule and any amendments;
- (h) **"Distribution Plan"** means a plan for the distribution of the shares in the capital of the Company prepared by the Trustees in accordance with Clause 4.5
- (i) **"District"** means the extent of the area over which the Board was authorised to supply electricity pursuant to the licence granted to the Board under section 20 of the Electricity Act 1968;
- (j) **"Dividends"** means, in relation to the Company, any distributions paid in cash by the Company to the Trustees as holders under this Deed of shares in the Company;
- (k) **"Financial Year"** means any year or other accounting period ending on a Balance Date;
- (l) **"Local Authority"** means a territorial authority within the meaning of the Local Government Act 2002 or legislation amending or replacing that Act and in the event that at any time such territorial authority does not exist then any such body, whether incorporated or not, which has assumed the responsibility of obligations formerly undertaken by a territorial authority.
- (m) **"Termination Date"** means the earlier of 1 January 2073 and the date upon which the trust is wound up in accordance with Clause 15 provided however that if the perpetuity period restrictions cease to apply to this Trust or are amended to permit the Trust to continue beyond 1 January 2073, this definition shall be amended accordingly;
- (n) **"the Trust"** means Buller Electric Power Trust as earlier defined or subsequently renamed by unanimous resolution of the trustees
- (o) **"the Trustees"** means the trustees for the time being of the Trust;
- (p) **"Trust Fund"** means all the funds described as "the Trust Fund" in Clause 6 and includes all capital and income for the time being held by the Trustees;

(q) **"Trustee Act"** means the Trustee Act 1956;

1.2 Construction: In this Deed, unless the context otherwise requires:

- (a) references to one gender include each other gender;
- (b) references to the singular include the plural and vice versa;
- (c) the headings and the index shall not affect the construction of this deed;
- (d) references to clauses are references to clauses of this deed and references to schedules are references to schedules to this Deed;
- (e) references to a statute include references to regulations, orders or notices made under or pursuant to such statute. References to any statute, regulation, order or other statutory instrument or by-law shall be deemed to be references to the statute, regulation, order, instrument or by-law as from time to time amended and includes substituted provisions that substantially correspond to those referred to;
- (f) words, terms or expressions which are defined in the Act but are not defined in this deed shall have the meaning attributed to them in the Act.

1.3 Perpetuity Period: Perpetuity period: For the purposes of the Perpetuities Act 1964 the perpetuity period of this deed shall be the period from the date of execution of the original deed (18th May 1993) until the first anniversary of the Termination Date.

2. OPERATIVE PART

- 2.1** The Company reaffirms the establishment of Buller Electric Power Trust in accordance with clause 2.1 of the original deed.
- 2.2** The assets of the Trust, together with all assets hereafter acquired by the Trustees, and any accumulations of income and all assets of whatever kind from time to time representing the same shall be held upon the trusts and for the purposes and with the powers and discretions hereinafter appearing.

3. OBJECTS

This Trust has been established to enable Trustees:

- 3.1** If the Trustees so elect to subscribe for, purchase or to otherwise acquire additional shares in the capital of the Company.
- 3.2** To retain and hold such shares until such time as following an ownership review held in accordance with Clause 4, the shares or a portion of them are sold, transferred or disposed of.
- 3.3** In the event of any sale, transfer or other disposition of such shares following an ownership review, to hold the proceeds of any such sale, transfer or other disposition upon the trust for capital in accordance with Clause 6.1.

- 3.4 To receive the Dividends and to distribute, pay, apply or appropriate the Dividends to or for the benefit of the Consumers in the manner provided in Clause 5 of this Deed.
- 3.5 Following the termination date to pay, apply and appropriate the capital of the Trust in the manner provided in clause 6.2.
- 3.6 To protect and promote the interests of the beneficiaries of the Trust by encouraging and facilitating the Company in meeting its objective of being a successful business and to ensure that the benefits of ownership are maximised to consumers in the form of dividends, discounts on line charges or otherwise. In assessing whether the Company is meeting its obligations. The Trustees should have regard to any benefits provided to the community within which it operates and recognise that provision of benefits to the community is a proper function of a locally based and community owned corporation.

4. DISTRIBUTION OF SHARES

- 4.1 On or before the first day of April 2031 (or sooner if required by a resolution of the Directors of the Company or the Trustees of the Trust) the Trustees shall require the Directors of the Company to prepare a report considering proposals and available options for future ownership of the shares. Such report shall contain the following detail:
- (a) an analysis of the various ownership options considered including without limitation, a share distribution to Consumers, a sale of shares to the public, a sale of shares to institutional investors and retention by the Trust;
 - (b) the conclusions of the Directors as to the most appropriate form of ownership together with an indication whether the conclusions are unanimous and if the decision is not unanimous, a summary of the conclusions of the dissenting Directors shall be included;
 - (c) the matters contained in Clause 4.6 if a distribution of shares is recommended;
 - (d) a summary of the professional advice (if any) obtained in respect of the preparation of the report.
- 4.2 The Trustees shall comment on the report to the Directors of the Company and upon completion of their review of the report, the Trustees shall make the report available to the public in accordance with Clause 13 together with a summary of their comments.
- 4.3 The Trustees and the Directors of the Company shall in respect of the report and not later than 1 month after the receipt of the report, implement the Public Consultative Procedure.
- 4.4 Following completion of the Public Consultative Procedure and in any event not later than 6 months after the report required by clause 4.1 is completed, the Trustees and Directors shall meet and, taking due account of the views expressed, decide whether to:
- (a) retain the shares in the Trust; or
 - (b) dispose of a portion of the shares and retain the remainder in the Trust; or
 - (c) dispose of all of the shares.

* or 10% of the consumers

- 4.5 If the shares are to be retained by the Trust the Trustees shall notify the public in accordance with Clause 13.
- 4.6 If the shares or any portion of them are to be distributed the Trustees shall request the Directors of the Company to prepare a Distribution Plan and if the Directors fail to prepare a plan the Trustees shall prepare the Distribution Plan. The Distribution Plan shall contain the following details:
- (a) to whom the shares are to be distributed;
 - (b) the time and manner in which the shares are to be distributed; and
 - (c) whether the shares are to be distributed without consideration, at a concessionary consideration or for market value.

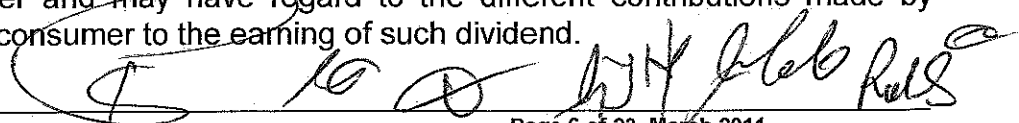
The Trustees shall consider any plan prepared and make such amendments to it as they consider shall be necessary after consulting with the Directors of the Company.

- 4.7 The Distribution Plan shall be notified to the public in accordance with Clause 13 and following notification the Trustees shall ensure that it is implemented unless they are unable to do so because of matters beyond their control.
- 4.8 If the Directors of the Company have failed to produce a report within six months of being requested to do so by the Trustees, the Trustees shall prepare the report required by Clause 4.1.
- 4.9 The Company shall be entitled to be paid out of the Trust Fund all reasonable costs incurred in connection with the ownership review carried out pursuant to this Clause.
- 4.10 Following the initial review under clause 4.1 the Trustees may at any time and shall if requested by 10% of the consumers institute a further review.

5. TRUSTS OF INCOME UNTIL DISTRIBUTION DATE

The Trustees shall stand possessed of the income arising from the Trust Fund upon the following trusts and with and subject to the following powers:

- 5.1 The Trustees shall from the net annual income derived by the Trust Fund pay the costs of administering the Trust (including remuneration and allowances payable to Trustees as hereinafter provided) and costs incurred in pursuance of their duties.
- 5.2 The Trustees may, subject to clauses 5.3 and 5.4, after making prudent provision for taxation and reserves to maintain the value of the trust fund, appropriate the remainder of the current net annual income and/or accumulations from previous years for the benefit of Consumers in such manner and in such proportions as the Trustees in their absolute discretion think proper.
- 5.3 In exercising their discretion under clause 5.2 the Trustees may have regard to the recommendation of the Directors as to the allocation of any dividend amongst different classes of consumer and may have regard to the different contributions made by different classes of consumer to the earning of such dividend.



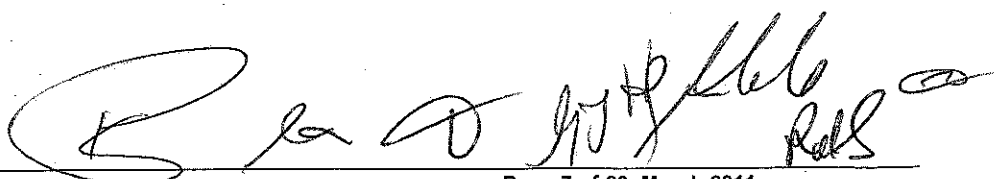
- 5.4 Any Consumer to whom any income is paid, applied or appropriated by the Trustees pursuant to clause 5.2, shall as from the date of such payment, application or appropriation take an absolute and indefeasibly vested interest in such income and as from such date the Trustees shall have no further obligations with respect to the application of such income.
- 5.5 The foregoing provisions as to vesting of income shall not operate to vest any part of the corpus of the Trust Fund in any of the Consumers.
- 5.6 Any income not appropriated pursuant to Clause 5.2 shall be accumulated and may in the future be appropriated to consumers.
- 5.7 Each Trustee in his or her capacity as a Consumer shall notwithstanding the provisions of this Deed or any applicable rule of law or equity, be entitled to receive any benefits as a Consumer which may be distributed to Consumers in accordance with clause 5.2.
- 5.8 All payments made to Consumers unclaimed for one year after having been sent to any Consumer may be invested or otherwise made use of by the Trustees for the benefit of the Trust Fund until claimed and the Trustees shall be entitled to mingle the amounts of any unclaimed payments with other monies forming part of the Trust Fund and to credit any income arising in any Financial Year from the investment of such unclaimed payments to the Trust Fund.

6. TRUSTS OF CAPITAL

- 6.1 **Trusts prior to Termination Date:** The shares in the Company or the proceeds of sale of such shares shall be held by the Trustees upon trust to pay, apply to allocate the same, on or before the Termination Date for the benefit of the Consumers, in such manner and in such shares as the Trustees in their absolute discretion consider fair and equitable.
- 6.2 **Trusts from and after Termination Date:** From and after the Termination Date the Trustees shall stand possessed of the corpus of the Trust Fund and the income thereof including any accumulations of income upon trust to apply the same for the benefit of Consumers in such manner and in such shares as the Trustees shall in their absolute discretion consider fair and equitable provided however that if the Trustees have not so applied any or all of the Trust Funds and income on the day before the first anniversary of the Termination Date the amount remaining shall be paid in equal shares to Consumers current on the first anniversary of the Termination Date.

7. APPOINTMENT, RETIREMENT AND PROCEEDINGS OF TRUSTEES

The Rules set forth in the Schedule hereto (with such amendments, deletions and additions thereto as may lawfully be made in manner therein appearing) shall upon the execution of this Deed govern the appointment, retirement and proceedings of the Trustees and associated matters.



8. GENERAL POWERS

8.1 The Trustees may exercise the powers, authorities and discretions conferred by this deed in addition to and not by way of limitation of the powers, authorities and discretions conferred upon Trustees generally by the Trustee Act (except where otherwise specified in this Deed) For the avoidance of doubt, the Trustees shall have no power to participate in the management or operation of the Company except as provided in clause 9 and in exercising their rights as shareholders as provided by the Companies Act 1993 and the constitution of the Company.

8.2 In the exercise of any power, authority or discretion under this Deed the Trustees shall have no obligation to deal with persons other than those who qualify as Consumers as defined in this deed.

9. SPECIFIC POWERS

The Trustees shall have and may exercise either alone or together with any other person or persons the following powers, authorities and discretions:

9.1 **To Appoint Directors:** To appoint Directors of the Company in the manner provided by the constitution of the Company. Prior to appointing any Directors the Trustees shall make it generally known that prospective candidates are being sought and may at their discretion procure an independent evaluation of candidates for directorship by a professionally qualified consultant.

9.2 **To Appoint Secretary:** To appoint and pay any person, who is not a Trustee, as Secretary of the Trust and to remove the Secretary and to appoint a replacement.

9.3 **To Employ:** To employ any person, firm or corporation to do any act relating to the Trust without being liable for loss.

9.4 **To Appoint Custodian Trustee:** To exercise the powers conferred by section 50 of the Trustee Act to appoint any corporation to be a custodian trustee of the Trust Fund.

9.5 **To Invest:** To invest or reinvest, in any form of investment authorised by this Deed or by law, all or any part of the Trust Fund, whether income or capital, not immediately required for the purposes of the Trust.

9.6 **Bank Accounts:** To open an account or accounts at any time or times in the name of the Trust at any Bank (and to overdraw any such account with or without giving any security) and in addition to the powers conferred by section 81 of the Trustee Act to make arrangements with any Bank for the Trustees or any two or more of the Trustees named in writing by all of the Trustees to operate upon any account from time to time opened or subsisting at that Bank.

9.7 **Capital Income and Blended Funds;** To determine whether any money for the purposes of this Deed is to be considered as income or capital and what expenses ought to be paid out of income and capital respectively and also to apportion payments and every such determination or apportionment shall be final and binding on all persons beneficially interested in the Trust Fund and income thereof.

9.8 **Shareholders powers:** Subject to the provisions of this Deed, to exercise as the

Trustees in their absolute discretion think fit all the voting powers attaching to any shares in the Company forming part of the Trust Fund.

9.9 **Reorganisation, reconstruction, merger etc:** To consider any recommendations made by the Directors on any proposal relating to any reconstruction or amalgamation or merger of the Company or any modification of the rights of shareholders or reduction of capital or subject to Clause 9.10, other dealing with such shares and after giving due consideration to the recommendations of the Directors to make a decision in respect of any such proposal as the Trustees may consider shall be for the benefit of or in the interest of the Trust Fund provided however that the Trustees shall not agree to any proposal which would result in the disposal or sale of any shares held by the Trust unless the Trustees have complied with Clause 4.

9.10 **Increase in Capital:** To consider any recommendation made by the Directors to increase the capital of the Company. Should the Trustees agree to such a proposal they shall endeavour to ensure that new shares shall be offered to the following classes of persons in the following sequence:

- (a) first to the Trustees and be allotted in equal parcels to the Trustees
- (b) second to Consumers on the basis of an equal number of shares for each Consumer;
- (c) third to the extent that any shares are not taken up by the Consumers to whom they are offered under (a) or (b) above they shall be made available to all Consumers and allocated to all consumers who apply for them. If the issue of shares is over subscribed the allocation shall be abated pro rata.
- (d) Any shares not allocated to Consumers, shall be offered to the public on terms no more favourable than those offered to Consumers.

9.11 **Determining Questions:** To determine all questions and matters of doubt which may arise in the course of the Trusteeship of this Trust.

10. POWERS OF INVESTMENT

10.1 The power of investment conferred by section 13A of the Trustee Act is hereby excluded.

10.2 The Trustees may invest all or any of the Trust Fund held by them under this Deed, either alone or in common with any other person or persons, in all or any of the following investments:

- (a) shares [or other equity securities or debt securities] of the Company;
- (b) the stock, funds or other securities of the New Zealand Government;
- (c) interest bearing deposit accounts with any Bank.

10.3 The Trustees may hold all or any part of the Trust Fund uninvested in accordance with Clause 10.2 for any periods for the purpose of:

- (a) accumulating sufficient funds for the purposes of investment or

(b) holding sufficient funds to meet payments as they fall due.

10.4 Notwithstanding the provisions of section 13C of the Trustee Act and 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, it is hereby declared that the care, diligence and skill to be exercised by the Trustees in exercising any power of investment shall not be that required of such persons by the said section 13C but shall at all times be the care, diligence and skill that a prudent person of business would exercise in managing the affairs of others.

10.5 Notwithstanding anything in this Deed, no Trustee shall be liable for any breach of trust in respect of any duty to exercise the care, diligence and skill that a prudent person engaged in a profession, employment or business that is or includes acting as a Trustee or investing money on behalf of others or managing the affairs of others would exercise merely because the investments of the Trust Fund are not diversified.

11. ADVICE OF COUNSEL

Without derogating from the generality of the foregoing powers, the Trustees are hereby further empowered to take and act upon the opinion of any barrister of the High Court of New Zealand of not less than seven years' standing whether in relation to the interpretation of this Deed or any other document or any statute, as to the administration of the trust declared and authorised by this Deed or by any other document without being liable to any person provided that nothing in this clause shall prohibit the Trustees from applying to the Court should the Trustees think fit.

12. DUTIES OF TRUSTEES

The Trustees shall:

12.1 Subject to Clause 8, act as diligent shareholders and in particular monitor the performance of the Directors of the Company and exercise the rights of shareholders for the benefit of the Trust Fund, at all times having due regard to the objective of the Company to be a successful business;

12.2 Ensure that full and correct accounts of all the financial transactions of the Trust and its assets and liabilities and funds are kept.

12.3 After the end of each Financial Year cause to be prepared financial statements including a balance sheet and income and expenditure account and notes to those documents giving a true and fair view of the financial affairs of the Trust for that Financial Year. The financial statements shall show separately the names of persons or organisations to whom distributions of income have been made by the Trust in that Financial Year and the amounts distributed.

12.4 Appoint from time to time on such terms as they think fit as auditor of the Trust a person (not being the auditor of the Company) who is either:-

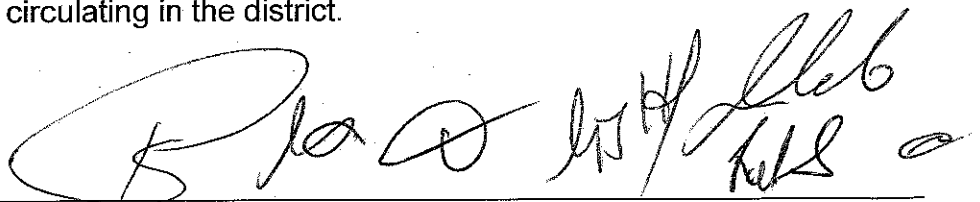
(a) a member of the New Zealand Institute of Chartered Accountants;

- (b) a member, fellow, or associate of an Association of Accountants constituted in some part of the Commonwealth outside New Zealand and for the time being approved for the purpose of the audit of the company accounts under section 199 of the Companies Act 1993.

- 12.5 Ensure that the financial statements are audited.
- 12.6 Immediately upon completion of the audit of the financial statements insert advertisements in the principal newspaper circulating in the District, notice that the statements are available for public inspection at the office of the Trustees.
- 12.7 Make the financial statements available to the public in accordance with Clause 13
- 12.8 Within seven months after the end of each financial year of the Trust, hold a public meeting in the district and at that meeting report on the operation of the Trust during the preceding financial year and on the financial statements of the Trust for that financial year. The Trustees shall give not less than 14 days' notice in the principal newspaper circulating in that district of the holding of such a public meeting.
- 12.9 In respect of any Statement of Corporate Intent delivered to the Trustees by the Company make comments thereon to the Directors of the Company within one month from the date of delivery of such a statement by the Company to the Trustees and in making any comments the Trustees shall ensure that the Statement of Corporate Intent is consistent with the obligation of the Directors to operate the Company as a successful business.
- 12.10 Make any completed Statement of Corporate Intent available to the public in accordance with Clause 13.
- 12.11 At the meeting to be held in accordance with Clause 12.8 and while the Trustees are the majority shareholders of the Company comment on the Company's compliance with its then current Statement of Corporate Intent.
- 12.12 Exercise where appropriate its right to require modifications to the Statement of Corporate Intent in accordance with section 40(2) of the Energy Companies Act 1992 subject always to the requirements of section 40(3) of the Act;
- 12.13 Make a copy of this Deed available to the public in accordance with Clause 13.

13. INFORMATION TO THE PUBLIC

- 13.1 For the purpose of complying with any requirement under this Deed to make any document or information available to the public, it shall be sufficient for the Trustees to make such a document or information available for inspection at any office of the Trust or any office of the Company or at any other place in the district during normal business hours on any business day.
- 13.2 The Trustees shall give not less than three days' notice of the place at which and the times when such documents or information may be inspected by the public in the principal newspaper circulating in the district.

A series of handwritten signatures in black ink, likely representing the Trustees, written over a horizontal line.

14. VARIATION TO TRUST DEED

- 14.1 This Deed may be altered or amended only by the unanimous resolution of the Trustees in writing provided however that no amendment shall be effective unless it has been approved in writing by the Directors and the proposed amendment has been subject to the public consultative procedure.
- 14.2 Notwithstanding Clause 14.1 no alteration or amendment may be made to this Deed that has the effect of limiting or restricting the obligations or powers of the Trustees under this Deed to sell, transfer or dispose of the shares following an ownership review held in accordance with Clause 4.

15. WINDING UP OF TRUST

- 15.1 If the Trust holds less than five per cent of the total share capital of the Company (which for these purposes shall include any shares held by the Trust in any company with which the Company has merged) and no longer holds any debt security issued by the Company or a resolution to wind up the trust has not been passed by the Termination Date, the Trustees shall pass a resolution requiring the trust to be wound up and all resolutions necessary to implement such resolution. If such resolutions have not been passed by the termination date or six months following the date upon which the Trust ceased to hold 5 per cent of the total share capital of the Company, (whichever is earlier), the provisions of Clause 15.2 shall apply as if the resolution had been passed.
- 15.2 On the winding up of the Trust, all surplus assets after the payment of all costs, debts and liabilities shall be applied in accordance with Clause 6.2.

16. INTERESTED TRUSTEES

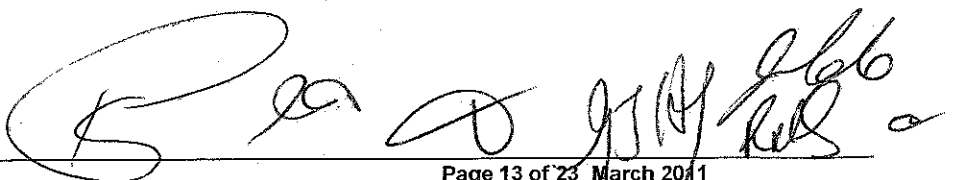
- 16.1 The Trustee shall not be employed in the service of or hold any office in or be a Director of the Company.
- 16.2 A Trustee who in any way, whether directly or indirectly has a material interest in any contract or proposed contract or arrangement or dealing with the Trust (other than as a Consumer or as a member, officer, or employee of any firm, company or organisation that is a Consumer) shall disclose the nature of that interest at a meeting of the Trustees and such disclosure shall be recorded in the minutes of the meeting.
- 16.3 A Trustee required to disclose an interest by Clause 16.2 may be counted in a quorum present at a meeting but shall not vote in respect of the matter in which the Trustee is interested (and if the Trustee does so the vote shall not be counted) provided that the Trustee may be expressly permitted to vote by a unanimous vote of the other Trustees present given after the disclosure of the interest.
- 16.4 If any question shall arise at any meeting as to the materiality of a Trustee's interest or as to the entitlement of any Trustee to vote and such question is not resolved by the Trustee voluntarily agreeing to abstain from voting, such question shall be referred to the Chairperson of the meeting and his or her ruling in relation to any such Trustee shall be final and conclusive except in a case where the nature or extent of the interests of the Trustee concerned have not been fairly disclosed.

17. LIABILITY

- 17.1 No Trustee acting or purporting to act in the execution of the trusts of this Deed shall be liable for any loss not attributable to his or her own dishonesty or to the wilful commission or omission by him or her of an act where such commission or omission is known by him or her to be a breach of trust and in particular no Trustee shall be bound to take or be liable for failure to take any proceedings against a co-Trustee for any breach or alleged breach of trust committed by such co-Trustee.
- 17.2 Every Trustee shall be chargeable only for such monies as he or she shall actually have received although he or she may have joined in any receipt for money received by any other of them and shall not be answerable for the acts of any other Trustee nor for any loss which may arise by reason of any trust funds being lawfully deposited in the hands of any banker, solicitor or agent or for the sufficiency or insufficiency or deficiency of any security upon which any trust money or any part thereof may be invested or for any loss in the execution of any trust unless the same shall happen through his or her neglect or default.

18. INDEMNITY

Any Trustee, officer or employee of the Trust shall be indemnified out of the assets of the Trust for and in respect of any loss or liability which such Trustee may sustain or incur by reason of the carrying out or omission of any function, duty or power of the Trustees under this Deed and in respect of any expenses incurred by the Trustee in the management and administration of the Trust Fund unless such loss or liability is attributable to such Trustee's dishonesty or to the wilful commission by such Trustee of an act known to the Trustee to be a breach of trust or to the wilful omission by such Trustee of any act when that omission is known by such Trustee to be a breach of trust.



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

SIGNED BY

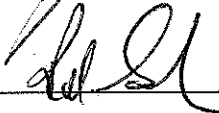
Craig Mathew SCANLON




Jan Christine COLL



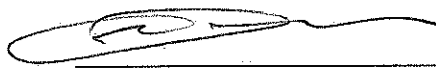
Rosalie Mary SAMPSON



Gail Louise HOWARD



Alistair David ORCHARD



as a Trustee in the presence of:

Signature



Name

BERNARD JOHN MENZIES

Address

244 UTOPIA Rd. WESTPORT

Occupation

RETIRED

Date

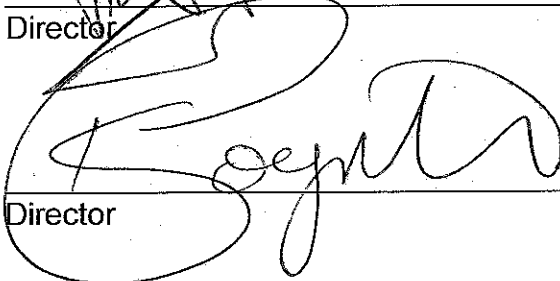
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BULLER ELECTRICITY LTD

Director



Director



BULLER ELECTRIC POWER TRUST

SCHEDULE 1

RULES GOVERNING THE APPOINTMENT, RETIREMENT AND PROCEEDINGS OF THE TRUSTEES

1. INTERPRETATION

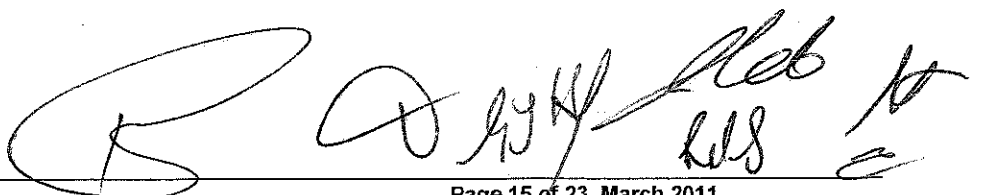
These Rules are those referred to in Clause 7 of the Deed and accordingly:

- 1.1 Terms in these Rules to which are ascribed special meanings in the Deed have the meanings so ascribed to them, unless otherwise provided or the context otherwise requires.
- 1.2 These Rules shall be construed subject to the provisions of the Deed, and in the case of conflict between the provisions of these Rules and those of the Deed the provisions of the Deed shall prevail.

PART 1 - CONSTITUTION OF THE TRUSTEES

2. APPOINTMENT OF TRUSTEES

- 2.1 On April 1 2011 and three yearly thereafter there shall be an election for up to three Trustees. Trustees shall retire by rotation those having been longest in office since last being elected retiring and in the event that there are two or more Trustees who have served the same time since last being elected, both or all of whom are required to retire, all shall retire, notwithstanding that this may require an election of more than three Trustees. Subject to rule 2.9, all retiring Trustees shall be eligible for re-election.
- 2.2 Nominations for appointment as a Trustee shall be invited from the public and must be made no later than 1 February in the year in which an election is to be held
- 2.3 No later than 1 March in each year in which an election is held, the Trustees shall arrange for a postal vote of Consumers to be held to elect the Trustees to replace the retiring Trustees.
- 2.4 The postal vote shall be held in accordance with the following provisions:
 - (a) Those eligible to vote shall be Consumers of the Company as at a date to be designated by the Trustees to be no later than 1 February in the year of the election;
 - (b) On the basis of the records of the Company the Trustees shall compile a roll of those entitled to vote which shall be made available for public inspection in accordance with Clause 13;

The block contains several handwritten signatures in black ink, likely representing the Trustees mentioned in the text. The signatures are stylized and vary in length and complexity.

- (c) The Trustees shall appoint a returning officer for the purposes of each election;
- (d) If the number of candidates does not exceed the number of vacancies to be filled, the candidate or candidates shall be duly elected as Trustees and the public shall be notified in accordance with Clause 13.
- (e) As soon as practicable but no later than 1 March in the year in which the election is to be held, the returning officer shall forward by post addressed to each Consumer eligible to vote, at the address shown on the roll, one voting paper in respect of the election of Trustees together with an envelope stamped and addressed to the returning officer;
- (f) Where the Consumer is not a natural person, the Consumer shall appoint a natural person to exercise the Consumer's vote on its behalf;
- (g) No voting paper shall be valid unless it is delivered to the returning officer by the date specified for the close of voting to be not less than two weeks after posting of the voting papers;
- (h) The returning officer shall not open any voting papers until after the date of the close of voting.

After the close of voting the returning officer shall open the papers and make arrangements for an official count of the votes. Any candidate for election as a Trustee shall be entitled to appoint a representative to attend the official count;

- (i) When all the voting papers have been dealt with the returning officer shall notify the public of the result in accordance with Clause 13. Where there is an equality of votes between candidates the returning officer shall determine by lot the candidate to be elected.
- (j) Each candidate shall be given an opportunity to provide information to Consumers about his or her qualifications and expertise to be elected as a Trustee and such details, to be no longer than one page in length, shall together with a photograph of the candidate be sent to each Consumer with the voting papers.

2.5 The following persons may not hold office as a Trustee:

- (a) a bankrupt who has not obtained a final order of discharge or whose order of discharge has been suspended for a term not yet expired, or is subject to a condition not yet fulfilled;
- (b) a person who has been convicted of any offence punishable by a term of imprisonment of 2 or more years;
- (c) a person who has been convicted of any offence punishable by imprisonment for a term of less than two years and has been sentenced to imprisonment for that offence;

Handwritten signatures and initials are present at the bottom of the page, including a large signature on the left, a signature in the center, and several initials on the right.

- (d) a person who is disqualified from being appointed as a Director of a company under section 151 of the Companies Act 1993;
- (e) a person who is mentally disordered within the meaning of the Mental Health (Assessment and Treatment) Act 1992;
- (f) a person who is not a parliamentary elector for the purposes of the Electoral Act 1956;
- (g) a person who is holding office as a Director of or is employed by the Company;
- (h) a person who does not reside in the District.

2.6 The number of Trustees shall be five.

2.7 Where by reason of death or otherwise the number of Trustees is reduced to four, the remaining Trustees may hold a by-election or may continue with four Trustees for the balance of the term until the next scheduled election. Should another vacancy occur before the next scheduled election a by-election must be held. Should the need for a by-election occur during the last year prior to a scheduled election the Trustees may bring forward the scheduled election of Trustees and hold a single election to replace or re-elect the Trustees retiring by rotation as well as fill the vacancies. In this event, the term of appointment shall run from the date of the election until three years after the date for which the election of retiring Trustees had been scheduled notwithstanding that this will result in Trustees being elected for a term greater than three years.

3. TERM OF OFFICE

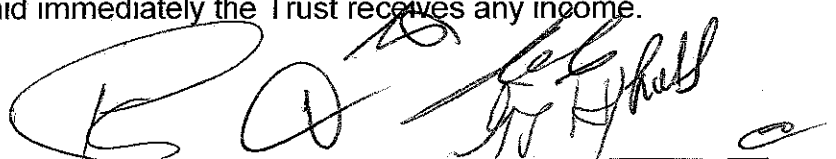
3.1 Trustees shall (subject to rule 8) hold office from the date of election or appointment until the date of their retirement in accordance with rule 2.

4. REMUNERATION AND EXPENSES OF TRUSTEES

4.1 **Remuneration:** The Trustees shall be entitled in each financial year to such remuneration for their services as Trustees as may be reasonable having regard to their duties and responsibilities.

4.2 **Expenses:** The Trustee shall be entitled to be indemnified by and reimbursed for any expenses incurred by them in the exercise of their powers and duties under this Deed. Such reimbursement shall be in accordance with the Fees and Travelling Allowance Act 1951 and the provisions of that act shall apply as if the Buller Electric Power Trust were members of a statutory Board within the meaning of that act.

4.3 **Payments to be made from Trust Funds:** Payments of remuneration and expenses pursuant to rules 4.1 and 4.2 shall be paid out of the Trust Fund provided that in the event that there are insufficient funds in the trust fund the Trustees may seek an advance from the Company to enable such payments to be made and in such event any such advances shall be repaid immediately the Trust receives any income.



- 4.4 Where any Trustee holds office as Trustee for only part of a year the Trustee shall be entitled to be paid on a proportionate basis for his or her services in carrying out and attending to the terms of the trust.

5. **DELEGATION BY TRUSTEES**

Any Trustee may, in any of the circumstances permitted by section 31 of the Trustee Act, exercise the powers under that section of delegating to one of the other Trustees, during any period for which that Trustee may be absent from New Zealand or incapable of performing his or her duties as a Trustee, all or any of the trusts, powers, authorities and discretions vested in him or her as a Trustee of the Trust.

6. **CHAIRPERSON**

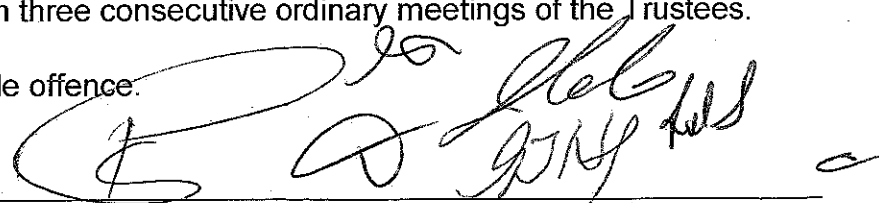
The Trustees may elect a chairperson at their meetings and determine the period for which the chairperson is to hold office. The chairperson (or in the absence of the chairperson, a Trustee elected by the meeting) shall take the chair at all meetings of the Trustees and shall have a casting as well as a deliberative vote.

7. **QUORUM**

A quorum at meetings of the Trustees shall comprise four trustees if the number of trustees holding office is five or three trustees if the number of trustees holding office is four or if one of the trustees holding office is absent from New Zealand or incapable of performing his or her duties as a trustee.

8. **CESSATION OF TRUSTEESHIP**

A Trustee shall cease to hold office if such Trustee:

- 8.1 has served for the term prescribed herein as a Trustee provided however that at each election the Trustee may seek re-election for a further term not exceeding three years and may at the expiration of that term seek further re-election provided further however that no Trustee shall serve more than five successive terms;
- 8.2 by notice in writing to the secretary of the Trust or if there is no secretary to the then chairperson, resigns his or her office;
- 8.3 refuses to act;
- 8.4 becomes of unsound mind or becomes a protected person under any statute for the time being in force;
- 8.5 becomes bankrupt or enters into a composition or assignment for the benefit of his or her creditors;
- 8.6 is absent without leave from three consecutive ordinary meetings of the Trustees.
- 8.7 is convicted of any indictable offence.
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9. RECORDING OF CHANGE OF TRUSTEES

Upon every appointment, reappointment, retirement or cessation of office of any Trustee the Trustees shall cause an entry thereof to be entered in the minute book of the Trust.

10. VALIDITY OF PROCEEDINGS

All acts done by any meeting of Trustees or of a committee of Trustees or by any person acting as a Trustee shall (notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Trustee or person acting as aforesaid or that they or any of them were for any reason disqualified) be as valid as if such person had been duly appointed and was qualified to be a Trustee.

11. RESCISSION OR VARIATION OF RESOLUTIONS

Any resolution of the Trustees may be rescinded or varied from time to time by the Trustees at any ordinary or special meeting.

PART II - ADMINISTRATIVE PROVISIONS

12. ORDINARY MEETINGS

The Trustees shall meet at such intervals as they deem appropriate to the conduct of the affairs of the Trust.

13. SPECIAL MEETINGS

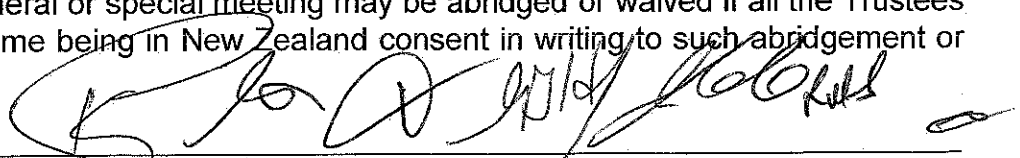
Three Trustees may at any time summon a special meeting for any reason deemed by them to justify the same.

14. NOTICE OF MEETINGS

Notice in writing of every meeting (whether ordinary or special) shall be given by email, delivered or sent by post to each Trustee by the secretary (or other person acting under the direction of the Trustees) or (in the case of a special meeting) by or under the direction of the persons summoning it at least 7 days before the date of the next meeting. No notice shall be necessary for adjourned meetings except to Trustees not present when the meeting was adjourned.

15. CONTENT OF NOTICE

Every notice of meeting shall state the place, day, and hour of the meeting and every notice of a special meeting shall state the matters to be discussed at that meeting. Notice of any general or special meeting may be abridged or waived if all the Trustees who are for the time being in New Zealand consent in writing to such abridgement or waiver.



16. **ADJOURNMENT**

If a quorum is not present within thirty minutes after the time appointed for any meeting the Trustee or Trustees present may adjourn the meeting. Any meeting may be adjourned by the chairperson upon the adoption of a resolution for its adjournment.

17. **COMMITTEES**

The Trustees may from time to time appoint any one or more members of their body to be a committee for making any inquiry, for superintending or transacting any business of the Trust, for the investment and management of the Trust Fund or any part thereof, or for the performance of any duty or function which in the opinion of the Trustees will further the purposes and objects of the Trust. Subject to these Rules and to any directions from time to time given by the Trustees every such committee may regulate its own procedure so that quorum at any meeting of the committee shall comprise a majority of its members for the time being.

18. **MINUTES**

- 18.1 A Minute Book shall be provided and kept by the Trustees and all proceedings of the Trustees shall be entered in the Minute Book.
- 18.2 Any such minute if purporting to be signed by the chairperson of the meeting at which the proceedings were had or by the chairperson of the next succeeding meeting shall be evidence of the proceedings.
- 18.3 Where minutes have been made in accordance with the provisions of this Rule of the proceedings at any meeting of Trustees then until the contrary is proved the meeting shall be deemed duly held and convened and all proceedings at that meeting to have been duly convened.

19. **RESOLUTIONS IN WRITING**

A resolution in writing signed by all the Trustees or by all the members of a committee shall be as effective for all purposes as a resolution passed at a meeting of the Trustees or of such committee as the case may be duly convened, held and constituted. Such resolution may consist of several documents in the form, each signed by one or more of the Trustees or members of the committee, as the case may be.

20. **MEETINGS BY ELECTRONIC MEDIUM**

For the purpose of these rules the contemporaneous linking together by telephone, video conference, Skype or other electronic means of some or all of the Trustees or members of a committee of Trustees ("the participants") not less than a quorum together with the secretary or a person acting secretarially shall be deemed to constitute a meeting and all the provisions as to meetings in these rules shall apply to such meetings by telephone or other electronic medium so long as the following conditions are met:

- 20.1 All the participants for the time being entitled to receive notice of a meeting must be given notice by telephone or email or other electronic means of the time and date of such meeting and be able to be linked.
- 20.2 Each of the participants and the secretary or person acting secretarily, must be able to hear each of the others taking part at the commencement of the meeting;
- 20.3 At the commencement of the meeting each participant must acknowledge his or her presence for the purpose of such meeting to all the others taking part;
- 20.4 A participant may not leave the meeting by disconnecting his or her telephone or other electronic device without having previously obtained the express consent of the chairperson of the meeting and shall be conclusively presumed to have been present and to have formed part of the quorum at all times during the meeting by electronic medium unless having obtained the express consent of the chairperson to leave the meeting as aforesaid;
- 20.5 A minute of the proceedings at such meeting by electronic medium shall be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as a correct minute by the chairperson of the meeting and by the secretary or person acting secretarily.

21. **BANK ACCOUNTS**

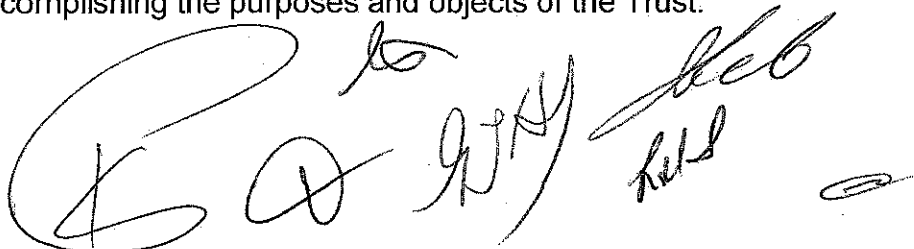
Bank accounts in the name of the Trust shall be opened and kept with a bank or banks to be from time to time selected by the Trustees. All sums of money received on account of the Trust shall be forthwith paid into the credit of such account or accounts unless otherwise expressly ordered by the Trustees. All negotiable instruments and all receipts for money paid to the Trust shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Trustees from time to time determine.

22. **EXECUTION OF DOCUMENTS**

All documents required to be executed by the Trustees shall be deemed to be validly executed and binding on the Trust if these documents have been entered into and executed by the authority of the Trustees previously given and signed by at least two Trustees and countersigned by the secretary or by another Trustee or any other person approved by the Trustees for the purpose.

23. **GENERAL POWERS**

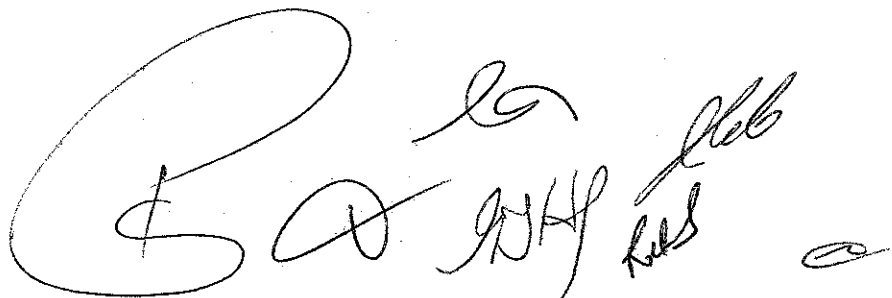
Subject to the provisions of the Deed and of the preceding Rules the Trustees shall have the power to do all acts and things which they may consider proper or advantageous for accomplishing the purposes and objects of the Trust.

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PART III - AMENDMENT TO RULES

24. AMENDMENTS

- 24.1 The Rules set forth in Part II of the Schedule being administrative provisions may be rescinded, amended or added to by the unanimous resolution of the Trustees.
- 24.2 No such resolution shall be effective unless notice thereof shall have been given in the notice convening the meeting and no such rescission, amendment or addition shall conflict with any of the provisions of the Deed or the Act.

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BULLER ELECTRIC POWER TRUST

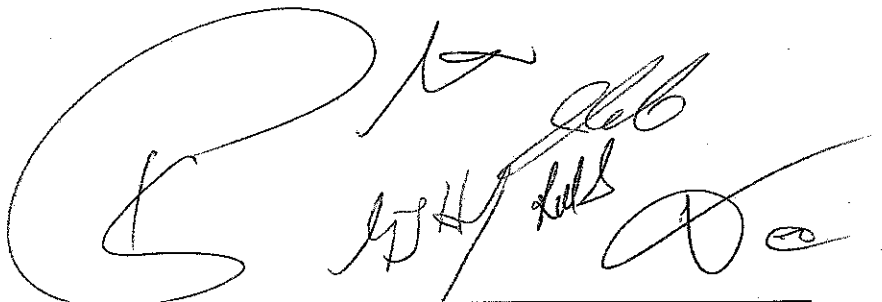
SCHEDULE 2

PUBLIC CONSULTATIVE PROCEDURE

In respect of any provision of this Deed which requires the Trustees to implement a Public Consultative Procedure, the Trustees shall:

- (a) Place notice of the proposal before a meeting of the Trustees;
- (b) Give notice of the proposal to the public in accordance with clause 13 of the Deed;
- (c) In every notice given under paragraph (b) of this Schedule, specify a period within which persons interested in the proposal may make submissions on the proposal of the Trustees and to the Directors of the company;
- (d) Ensure that any person who makes written submissions on the proposal within the period specified in the notice given under paragraph (b) of this Schedule is given a reasonable opportunity to be heard by the Trustees;
- (e) Ensure that every meeting at which submissions are heard or at which the Trustees deliberate on the proposal is open to the public.
- (f) Make all written submissions on the proposal available to the public; and
- (g) Ensure that the final decision in relation to the proposal is made at a meeting of the Trustees which is open to the public.

The period specified pursuant to paragraph (c) above shall be not less than one month and no more than three months.

The bottom of the page features several handwritten signatures and initials in black ink. On the left is a large, stylized signature. To its right are several smaller, more legible signatures and initials, including what appears to be 'JH' and 'DeB'.