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DEED OF TRUST (THE  
**MAINPOWER** TRUST)

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**DEED OF TRUST (THE  
MAINPOWER TRUST)**

**THIS DEED OF TRUST** is made on the **q 0e.C€;tv,bu--** 2025

**BY** Allan Berge, Joanne Rachel Ashby, Cameron Henderson, Richard William Allison, Kevin Warren Brookfield, Andrew Thompson and Gary Walton (**Trustees**)

**EXPLANATORY NOTE**

- A. The definitions of certain words and phrases used in this Deed are set out in clause 1.
- B. The Trust was originally established on the terms set out in a Deed of Trust dated 26 April 1993, as resettled in the Deed of Resettlement dated 24 October 1995, and as further amended in deeds of amendment dated 30 November 1998, 12 October 2000, 18 March 2002, 23 November 2007, and 15 December 2008, and as amended and consolidated in deeds dated 24 June 2015 and 27 January 2016, then amended by Deed of Variation of Trust dated 4 May 2017, and as further amended and consolidated in deeds dated 21 June 2017, 20 March 2018, 21 May 2019, 19 November 2019, 25 May 2021, 14 March 2023 and 20 June 2024.
- C. This Trust Deed amends the deed to:
- i. extend the Trust Expiry Date to the maximum duration provided under the Trusts Act 2019;
  - ii. replace the form of the MainPower Foundation Trust Deed set out in Appendix A to this Deed to ensure it is fit-for-purpose and compliant with all relevant statutory provisions as at the date of this Deed;
  - iii. require the Trustees to regularly review the form of the MainPower Foundation Trust Deed to ensure it remains fit-for-purpose and compliant with all relevant statutory provisions; and
  - iv. make consequential amendments.

**RECITALS**

It was the intention of the Settlers of the Trust that:

- (i) there will be conditions and restrictions governing the power of the Trustees to sell, transfer, or otherwise dispose of all or any of the capital of the Trust Fund, those conditions and restrictions being referred to in clauses 3.2(c) and 3.2(d) of Schedule 10; and
- (ii) there will be restrictions on the way in which the Trustees may vest or distribute the capital of the Trust Fund, those restrictions being referred to in clauses 4.1 and clause 7.1; and
- (iii) the Trustees will comply with the obligations, conditions and restrictions imposed on them by clause 5; and

- (iv) during the Trust Period, 20% of the capital of the Trust Fund will be distributed to the trustees of the MainPower Foundation; and
- (v) during the Trust Period, the remainder of the capital of the Trust Fund will vest in and be distributed to Qualifying Customers in circumstances whereby at least 85% of that remainder will be distributed to Qualifying Customers whom the Company has classified as *residential customers* (subject to the possibility that, pursuant to the Entitlements Trusts, a small portion of that remainder might not vest in Qualifying Customers); and
- (vi) the distributions referred to in paragraphs (iv) and (v) of this recital will take place pursuant to the procedures in clauses 5.4, 6, and 7; and
- (vii) there will be restrictions on the payment or application of the income of the Trust Fund, those restrictions being set out in clauses 4.5 to 4.7.

**THIS DEED WITNESSES THAT** with effect from the date the Trustees resolve to bring this Deed into effect, this Deed replaces all pre-existing trust deeds of the Trust.

## **1. DEFINITIONS, CONSTRUCTION AND GENERAL**

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### **Definitions**

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

- (a) **"Act"** means the Energy Companies Act 1992;
- (b) **"Balance Date"** means 31 March or any other date from time to time adopted by the Trustees as the end of the Financial Year;
- (c) **"Beneficiaries"** means:
  - (i) the trustees of the MainPower Foundation (but subject to clause 4.6); and
  - (ii) Qualifying Customers; and
  - (iii) the trustees of the Entitlements Trust;
- (d) **"Capital Allocation Criteria"** means the rules governing allocations for distributions from the capital of the Trust Fund set out in Schedule 5 to this Deed;
- (e) **"Capital Distribution Review Proposal"** means the proposal of the majority of the Trustees referred to in clause 6.2(c);
- (f) **"Capital Distribution Roll Date"** is defined in the definition of Roll Date;
- (g) **"Company"** means MainPower New Zealand Limited (company number 568270), and includes any body corporate that succeeds to or in which is vested the whole or substantially the whole of the property, undertaking and assets owned by the Company and carries on as successor to the Company the whole or substantially the whole of the business formerly carried on by the Company whether in either such case by merger, acquisition or otherwise;

- (h) **"Consultative Procedure"** means the consultative procedure set out in Schedule 4;
- (i) **"Customer"** means a person named in the records of the Company as a person whose premises are in the District and are connected to the Company's distribution network and who is liable (whether alone or jointly with any other person and whether pursuant to a contract with the Company or indirectly pursuant to a contract with a third party or otherwise) to the Company for the payment of an amount in respect of the use of and connection to the Company's distribution network, but excludes a person whose premises are connected to any other person's distribution network even though the Company may lease or pay a line rental for the use of that network;
- (j) **"Deed"** means this deed of trust, as amended from time to time;
- (k) **"Directors"** means the directors of the Company;
- (l) **"Distributable Capital"** means the capital of the Trust Fund at the relevant time;
- (m) **"Distributable Income"** is defined in clause 4.5;
- (n) **"District"** means the area over which the North Canterbury Electric Power Board (as constituted by section 10 of the Electric Power Boards Act 1925) was authorised as at 1 May 1993 to supply electricity pursuant to the licence granted to that board under section 20 of the Electricity Act 1968;
- (o) **"Dividends"** means, in relation to the Company, any distributions in respect of the Shares in the Company paid in cash by the Company;
- (p) **"Entitlements Trust"** means the Entitlements Trust established by deed dated 8 December 2000;
- (q) **"Financial Year"** means any year or other accounting period ending on a Balance Date;
- (r) **"First Trustees"** means the persons who are the Trustees named as parties to the 1995 Deed;
- (s) **"Income Allocation Criteria"** means the rules governing allocations for payments or applications from the income of the Trust Fund as set out in Schedule 6 to this Deed;
- (t) **"Income Distribution Roll Date"** is defined in the definition of Roll Date;
- (u) **"MainPower Foundation"** means a charitable trust that is to be settled by the Trustees under clauses 1.4, 7.2(a) or 22.2, by their execution of the MainPower Foundation Trust Deed;
- (v) **"MainPower Foundation Trust Deed"** means the trust deed for the MainPower Foundation in the form set out in Appendix A to this Deed;
- (w) **"MainPower Shares"** means ordinary shares in the capital of the Company;
- (x) **"Major Proposal"** means a proposal for:

- (i) any re-organisation, reconstruction, amalgamation or merger of the Company; or
- (ii) any change to the rights of the shareholders of the Company; or
- (iii) any issue of Shares in the Company; or
- (iv) any acquisition by whatever means of any Shares in the Company by any person (except an acquisition pursuant to a distribution under clause 7.2(b) (whether that distribution is a distribution of Shares or the proceeds of a sale of the Shares)); or
- (v) any other act or omission affecting the Company or any Shares in the Company (except a distribution under clause 7.2(b) (whether that distribution is a distribution of Shares or the proceeds of a sale of the Shares)),

whether through one transaction or a series of linked or related transactions, that will result in the voting power of the Trustees as shareholders of the Company or of the Resulting Company:

- (vi) changing by 25% or more; or
- (vii) moving for the first time below 75%; or
- (viii) moving for the first time below 50.1%,

of the total voting power of all shareholders of the Company or of the Resulting Company (as the case may be);

**(y) "Metered Electricity Connection"** means a physical connection between a Customer's premises and the Company's distribution network at any voltage, in respect of which connection:

- (i) the Company measures the consumption of electricity and the provision of variable line function services (regardless of whether the measurement is by one meter or more than one meter); and
- (ii) not more than one fixed line charge is payable;

**(z) "Minor Proposal"** means a proposal (that is not a Major Proposal) for:

- (i) any re-organisation, reconstruction, amalgamation or merger of the Company; or
- (ii) any change to the rights of the shareholders of the Company; or
- (iii) any acquisition by whatever means of any Shares in the Company by any person (except an acquisition pursuant to an issue after the date of the 1995 Deed of Shares in the Company and except an acquisition pursuant to a distribution under clause 7.2(b) (whether that distribution is a distribution of Shares or the proceeds of a sale of the Shares)); or

- (iv) any other act or omission affecting the Company or the Shares in the Company (except a distribution under clause 7.2(b) and except an issue after the date of this Deed of Shares in the Company (whether that distribution is a distribution of Shares or the proceeds of a sale of the Shares)),

whether through one transaction or a series of linked or related transactions, that will result in a change of the voting power of the Trustees as shareholders of the Company or of the Resulting Company;

- (aa) **"Other Qualifying Customer"** means a Qualifying Customer that the Company has not classified as a Residential Qualifying Customer;
- (bb) **"Poll"** means a Reconsideration Poll or Share Distribution Poll, carried out in accordance with Schedule 7;
- (cc) **"Poll Failure"** means:
  - (i) in respect of a Reconsideration Poll, the result of the Poll is that less than a simple majority of valid votes cast were in favour of requiring the Trustees to reconsider their **Review Decision**; and
  - (ii) in respect of a Share Distribution Poll, the result of the Poll is that less than a simple majority of those entitled to vote voted in favour of requiring the Trustees to overturn the Share Distribution Decision;
- (dd) **"Poll Success"** means:
  - (i) in respect of a Reconsideration Poll, the result of the Poll is that a simple majority of valid votes cast were in favour of requiring the Trustees to reconsider their Review Decision; and
  - (ii) in respect of a Share Distribution Poll, the result of the Poll is that a simple majority of those entitled to vote voted in favour of requiring the Trustees to overturn the Share Distribution Decision;
- (ee) **"Public Holiday"** means any day that is a statutory public holiday in Canterbury;
- (ff) **"Residential Qualifying Customer"** means a Qualifying Customer that the Company has classified as a residential customer;
- (gg) **"Qualifying Customer"** means a person named in the records of the Company:
  - (i) who is liable (whether alone or jointly with any other person and whether pursuant to a contract with the Company or indirectly pursuant to a contract with a third party or otherwise) to the Company for the payment of an amount in respect of the use of and connection to the Company's electricity distribution network; and
  - (ii) whose premises in respect of the use of and connection to the Company's electricity distribution network are located in the area over which the North Canterbury Electric Power Board (as

constituted by section 10 of the Electric Power Boards Act 1925) was authorised at 1 May 1993 to supply electricity pursuant to the licence granted to that Board under section 20 of the Electricity Act 1968, but excludes a person who the Company has classified as a temporary supply customer;

- (hh) **"Reconsideration Decision"** means a decision referred to as such in clause 6.9(b)(ii);
- (ii) **"Reconsideration Poll"** means a Poll on whether the Trustees should be required to reconsider their Review Decision;
- UH **"Record Date"** means the date on which the Trustees give notice to the public of the commencement of the Consultative Procedure under clause 6.4, in accordance with clause 3.1(b) of Schedule 4;
- (kk) **"Redeemable Preference Shares"** means redeemable preference shares issued by the Company and known as Rebate Shares;
- (ll) **"Reference Date"** means 19 May 2012;
- (mm) **"Resulting Company"** means any company resulting from a re-organisation, reconstruction, amalgamation or merger of the Company or following the issue of further Shares in the Company;
- (nn) **"Review Decision"** means the decision referred to as such in clause 6.5;
- (oo) **"Review Report"** has the meaning given in clause 6.1;
- (pp) **"Roll"** is defined in clause 8.1;
- (qq) **"Roll Date"** means, as the circumstances require:
  - (i) when used in connection with clause 6 or any Poll, midnight on the relevant Record Date (the "Capital Distribution Roll Date");
  - (ii) when used in connection with clause 4, midnight on each day as at which the Trustees resolve to distribute all or some of the income of the Trust pursuant to clause 4.5 (the "Income Distribution Roll Date");
- (rr) **"Secretary"** means the secretary of the Trust appointed under clause 18;
- (ss) **"Settlers"** means the persons who were the first parties to the 1995 Deed, being Peter William Cosgriff, Ronald George Dalley, Owen Wylie Evans, Brent Ross Hassall, Robert Leslie Hewett, Malcolm Alexander McIntosh, and Peter McMorran;
- (tt) **"Share Distribution Decision"** means a decision by the Trustees which includes a distribution of MainPower Shares to eligible Beneficiaries in specie, that is any part of a Review Decision or Reconsideration Decision;
- (uu) **"Share Distribution Poll"** means a Poll on whether the Trustees should be required to overturn a Share Distribution Decision;
- (x) **"Shareholding Proposal"** means a Major Proposal or a Minor Proposal, but for the avoidance of doubt, a distribution of Shares in the Company to



any Beneficiaries or a sale of Shares in the Company in order to distribute the proceeds to any Beneficiaries, which is carried out as a result of a Review Decision or Reconsideration Decision, is not a Shareholding Proposal;

- (ww) **"Shares"** means shares in the capital of any body corporate, and includes the MainPower Shares and all other shares in the Company;
- (xx) **"SCI"** means the statement of corporate intent for the Company prepared pursuant to section 39 of the Act;
- (yy) **"Subsidiary"** has the meaning given in the Companies Act 1993;
- (zz) **"Termination Day"** means:
- (i) the day on which all the capital and income of the Trust has been distributed; or
  - (ii) the Trust Expiry Date,
- whichever is the earlier;
- (aaa) **"Trust"** means the trust continued by this Deed;
- (bbb) **"Trust Fund"** means all of the assets for the time being of the Trust held on the trusts of this Deed and whether capital or income and however acquired and whether acquired by the Trustees before, on or after the date of this Deed;
- (ccc) **"Trust Expiry Date"** means:
- (i) the date determined as the Trust Expiry Date by the Trustees by written resolution passed by six (6) out of seven (7) of the Trustees (or if their number is less than seven (7), by all but one of the Trustees entitled to vote on the resolution) provided that date is not after 25 April 2118 (being the maximum duration of a trust under section 16 of the Trusts Act 2019); or
  - (ii) if no such date has been determined by the Trustees prior to 25 April 2118, 25 April 2118.
- (ddd) **"Trust Period"** means the period that begins on 24 October 1995 and ends on the Termination Day;
- (eee) **"Trustees"** means the trustees for the time being of the Trust and includes the First Trustees where the context requires;
- (fff) **"Working Day"** means a day that is not a Saturday, Sunday or a Public Holiday; and
- (ggg) **"1995 Deed"** means the Deed of Resettlement (The MainPower Trust) dated 24 October 1995, as amended by deeds of amendment dated 30 November 1998, 12 October 2000, 18 March 2002, 23 November 2007 and 15 December 2008 and as amended and consolidated in deeds dated 24 June 2015 and 27 January 2016, then amended by Deed of Variation of Trust dated 4 May 2017, and as further amended and consolidated in

deeds dated 21 June 2017, 20 March 2018, 21 May 2019 and 19 November 2019, 25 May 2021, 14 March 2023 and 20 June 2024.

## Construction

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

- (a) Defined Expressions:** expressions defined in the main body of this Deed have the defined meaning throughout this Deed, including the background;
- (b) Clauses:** references to clauses are references to the clauses of this Deed and references to schedules are references to the schedules to this Deed;
- (c) Amendments:** references to this Deed include its schedules and also include amendments or additions to this Deed and its schedules;
- (d) Persons:** references to a person include references to any human being, body corporate, body unincorporate, partnership or the trustees of any trust;
- (e) Month:** references to a month mean a calendar month;
- (f) Act:** words, terms or expressions that are defined in the Act but are not defined in this Deed have the meaning given by the Act;
- (g) Statutory Provisions:** references to any statutory provision are to statutory provisions in force in New Zealand and include any statutory provision which amends or replaces it, and any by-law, regulation, order, statutory instrument, determination or subordinate legislation made under it.
- (h) Gender:** references to one gender include each other gender;
- (i) Plural and Singular:** references to the singular include the plural and vice versa;
- (j) Headings:** the headings and the index do not affect the construction of this Deed;
- (k) Negative Obligations:** any obligation not to do anything includes an obligation not to suffer, permit or cause that thing to be done; and
- (l) Inclusive Expressions:** the term includes or including (or any similar expression) is deemed to be followed by the words "without limitation".

**1.3 Redeemable Preference Shares:** In this Deed, references to:

- (a)** the capital of the Trust Fund in paragraphs (i), (ii), (iv) and (v) of the recitals to this Deed and in the definition of Capital Allocation Criteria and in the second sentence of clause 4.1 and in clauses 4.3, 4.9, 7.1, 7.2 and in Schedules 5 and 7 and clause 3.2(c) in Schedule 10; and
- (b)** Shares in the Company in clause 5.5, in Schedules 4 and 5 and clause 3.2(d) in Schedule 10; and
- (c)** Shares in Schedules 4 and 5 and clause 3.2(d) in Schedule 10; and

shall not include the Redeemable Preference Shares.

- 1.4 MainPower Foundation and Entitlements Trust:** The Trustees may if they think fit cause the MainPower Foundation to be settled and come into existence at any time before the time specified in clause 7.2(a). It is acknowledged that the Entitlements Trust has been established in accordance with the power to do so in previous deeds.
- 1.5 Review of MainPower Foundation Trust Deed:** The Trustees will regularly review the form of the MainPower Foundation Trust Deed to ensure it is fit-for-purpose and compliant with all relevant statutory provisions.
- 1.6 Amendment of MainPower Foundation Trust Deed:** Clause 21 of the Deed applies if, following a review of MainPower Foundation Trust Deed under clause 1.5, the Trustees resolve that amendments are required.
- 1.7 Valuation:** Whenever there is a reference in this Deed to the value of any asset that is part of the Trust Fund, the decision of the Trustees on the value of the asset shall be final and binding on all persons interested under the Trust.
- 1.8 Acts on Non-Working Day:** If any day on which or by which anything is to be done pursuant to this Deed (including the schedules to this Deed) falls on a day that is not a Working Day, the day for doing that thing or by which that thing must be done shall be deemed to be the next following Working Day. All further changes of time or date rendered necessary by an alteration made pursuant to the first sentence of this clause may be made.

## **2. NAME OF TRUST**

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- 2.1 Name of Trust:** The trust operating under the terms set out in this Deed shall be known as the **MAINPOWER TRUST**.

## **3. DECLARATION AND ACCEPTANCE OF TRUST**

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- 3.1 Settlement:** The Trustees acknowledge the settlement by the Settlers of the sum of ten dollars (\$10.00) as the initial Trust Fund of the Trust which the Settlers directed the Trustees to hold on the trusts of this Deed.
- 3.2 On Trust:** The Trustees acknowledge that they shall hold the Trust Fund on the trusts of this Deed.

## **4. CAPITAL (INCLUDING REDEEMABLE PREFERENCE SHARES) AND INCOME**

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- 4.1 Capital:** The capital of the Trust Fund shall be held by the Trustees upon trust to vest and distribute it before or on the Termination Day in the manner specified in this Deed. Other than as described in clause 7.2, no part of the capital of the Trust Fund shall vest in or be distributed to any Beneficiary except under clauses 7.3 or 22.3.
- 4.2 Trustee as Nominee or Custodian:** If title to any part of the Trust Fund is not in the joint names of all of the Trustees, the Trustee in whose name it is shall sign a deed or declaration that he or she is a nominee and custodian trustee of it for the Trustees.

- 4.3 Costs of the Trust from Capital:** Notwithstanding clause 4.1, the Trustees shall use or pay the capital of the Trust Fund to the extent that is necessary to meet the requirements of clause 2.2 of Schedule 2.
- 4.4 Costs of the Trust from Income:** From the income of the Trust, the Trustees shall comply with clause 2.2 of Schedule 2 and shall hold the remainder of the income on the trusts of this Deed.
- 4.5 Distributable Income:** During the Trust Period the Trustees may at their absolute discretion from time to time resolve to pay or apply all or any of the net income of the Trust Fund (after payment of all fees, costs, disbursements and other expenses to be met from income in accordance with clause 2.2 of Schedule 2) to or for the Qualifying Customers as at whatever date the Trustees so resolve. The income to be paid or applied pursuant to a resolution made under this clause is called the **"Distributable Income"**.
- 4.6 MainPower Foundation Trustees not Beneficiaries:** Notwithstanding anything else in this Deed, for the purpose of clauses 4.5, 4.7, 4.8 and 4.11, the trustees of the MainPower Foundation are not Beneficiaries.
- 4.7 Income to Qualifying Customers:** Upon resolving under clause 4.5 to pay or apply income to or for the Qualifying Customers, the Trustees shall:
- (a)** pay 0.5% (half of one percent) of the Distributable Income to the trustees of the Entitlements Trust to be held on the trusts of the Entitlements Trust; and
  - (b)** pay or apply 99.5% of the Distributable Income to the Qualifying Customers in accordance with their respective allocations as determined by the Income Allocation Criteria.
- 4.8 Option to Return Income:** If any Qualifying Customer who receives a payment or application of income under clause 4.7(b) does not want to retain any or part of it, the Qualifying Customer may return all or part of it to the Trustees, in which event and notwithstanding anything else in this Deed the Trustees shall hold such of it as has been returned to them (the **"returned income"**) as part of the capital of the Trust Fund unless the Trustees in their absolute discretion consider that the capital of the Trust Fund will be too small to be practicable in which event the returned income shall be distributed by the Trustees to the trustees of the MainPower Foundation to be held on the trusts of the MainPower Foundation.
- 4.9 Accumulation:** Any income of any Financial Year not paid or applied pursuant to clause 4.7 during or within six (6) months after the end of the Financial Year shall be accumulated and added to and form part of the capital of the Trust Fund and shall be subjected to the trusts and powers of this Deed in respect of the capital of the Trust Fund.
- 4.10 Trustee May Receive Income as Beneficiary:** Each Trustee shall, notwithstanding any other provision of this Deed or any applicable rule of law or equity, be entitled to receive any income or capital of the Trust Fund that is paid or applied or distributed to him or her in accordance with this Deed in his or her capacity as a Beneficiary.
- 4.11 Dealing with Redeemable Preference Shares:** If the Trust Fund at any time includes any Redeemable Preference Shares, the vesting and distribution of the Redeemable Preference Shares before the Termination Day shall (notwithstanding

anything in this Deed to the contrary) be governed by the Rules set out in Schedule 8.

## **5. SHAREHOLDING PROPOSAL IN RELATION TO THE COMPANY**

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**5.1 Advise Directors:** Provided the Trustees are not subject to confidentiality undertakings, they will advise the Directors in writing if they receive or are considering any Shareholding Proposal and seek the Directors' views on the Shareholding Proposal, but the Trustees will not be bound by any views of the Directors on the Shareholding Proposal.

**5.2 Considering the Shareholding Proposal:** If the Trustees-

(a) **Support:** support a Shareholding Proposal, they shall carry out the Consultative Procedure in relation to the Shareholding Proposal and may, if they consider it expedient to do, also consult on a Capital Distribution Review Proposal which is contingent on the Shareholding Proposal being approved or accepted;

(b) **Do Not Support:** do not support a Shareholding Proposal, they shall inform the Directors that the Shareholding Proposal is not proceeding.

**5.3 Consider Directors Views:** If after considering the views of the Directors under clause 5.1, the final decision of the Trustees on the Shareholding Proposal in accordance with the Consultative Procedure is that the Trustees:

(a) **Approve or Accept:** approve or accept the Shareholding Proposal, they will inform the Directors in writing, give effect to it and comply with clause 5.4 (if relevant);

(b) **Do Not Approve or Accept:** neither approve nor accept the Shareholding Proposal, they will inform the Directors in writing.

**5.4 Capital Distribution Review:** If the Trustees approve or accept a Major Proposal, they must within two (2) months after the approval or acceptance begin to carry out a capital distribution review, by following the procedure in clauses 6.1 to 6.11.

**5.5 Approval of non-Major Proposals:** In deciding whether to approve any proposal that is not a Major Proposal to issue any Shares in the Company after the date of the Deed, the Trustees shall not take account of or comply with this clause 5.

## **6. CAPITAL DISTRIBUTION REVIEW**

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**6.1 Review:** Within six (6) years of the Reference Date, or whenever otherwise required under clause 5 or clause 6.12 of this Deed, the Trustees shall prepare a report ("**Review Report**") reviewing whether or not it is in the best interests of Beneficiaries for the Distributable Capital to continue to be held (in whole or in part) in the Trust or to be distributed (in whole or in part) to Beneficiaries.

**6.2 Review Report:** The Review Report shall contain the following (unless considered irrelevant by the Trustees given the circumstances at the time):

(a) **Performance:** an analysis of the performance of and outlook for the Company (if the Distributable Capital includes MainPower Shares) and any other significant Trust investments;

- (b) **Advantages and Disadvantages:** a summary of the advantages and disadvantages to Beneficiaries of Trust ownership of MainPower Shares or Resulting Shares and other significant investments, as compared to a distribution of those assets (or their value);
- (c) **Capital Distribution:** the Trustees' proposal regarding capital distribution (which can be a proposal that all, part or none of the Distributable Capital (or its value) remain subject to the MainPower Trust) and which the Trustees propose should become the Review Decision;
- (d) **Unanimous:** an indication of whether the Trustees selected the Capital Distribution Review Proposal unanimously and, if not, a summary of the conclusions of the dissenting Trustees;
- (e) **Split of Distribution:** if applicable, a statement of the split of the proposed capital distribution as between a distribution to the MainPower Foundation and a distribution to Qualifying Customers, in accordance with the distribution entitlements in clause 7.2;
- (f) **Statement of View:** if the capital distribution proposal is for a distribution of all or part of the Distributable Capital that includes MainPower Shares (or their value), a statement of the view of the Directors on the divestment of the MainPower Shares (if provided to the Trustees) together with an indication of whether the conclusions are unanimous, and if the conclusion is not unanimous, a summary of the conclusions of the dissenting Directors (if provided to the Trustees);
- (g) **Professional Advice:** professional advice (if any) obtained by the Trustees in respect of the preparation of the Review Report; and
- (h) **Other:** such other matters that the Trustees consider relevant.

**6.3 Summary of Review Report:** The Trustees shall make a summary of the Review Report available to the public in accordance with clause 14 (but may omit or redact any confidential or commercially sensitive information).

**6.4 Consult:** Unless consultation has already occurred pursuant to clause 5.2, the Trustees shall, no later than one (1) month after the date of the Review Report, implement the Consultative Procedure under Schedule 4.

**6.5 Review Decision:** The final decision of the Trustees under clause 3.1(i) of Schedule 4 shall be a decision on whether to adopt the Capital Distribution Review Proposal as the Review Decision (the "**Review Decision**"). However, the Review Decision shall not be implemented except as provided under clause 6.9(a).

**6.6 Polls Process:** Following the making of a Review Decision, or a Reconsideration Decision that includes a Share Distribution Decision, the Trustees shall notify the public of the following in accordance with clause 14:

- (a) the Review Decision or the Reconsideration Decision, as the case may be, and the Record Date; and
- (b) information on the way in which Qualifying Customers can require any Poll that they are entitled to requisition under Schedule 7 (including the time for doing so), and on the timing and procedure of any Poll.

- 6.7 Hold Poll:** The Trustees must, if requisitioned within the time permitted under Schedule 7, hold:
- (a) a Reconsideration Poll, following a Review Decision that does not include a Share Distribution Decision; or
  - (b) a Share Distribution Poll, following a Review Decision or Reconsideration Decision that includes a Share Distribution Decision.
- 6.8 Binding Poll:** The result of any Poll shall be binding on the Trustees and on the Qualifying Customers.
- 6.9 Actions Following Poll Process:** In respect of any Review Decision or Reconsideration Decision:
- (a) **Decision Shall Be Implemented:** the decision shall be implemented if:
    - (i) the period for requisitioning any Poll under clause 6.7 expires without a Poll having been requisitioned; or
    - (ii) a Poll that was requisitioned under clause 6.7 resulted in Poll Failure,

and implementation shall be as soon as practicable. If implementation includes a distribution to eligible Beneficiaries, the distribution shall be carried out in accordance with clause 7 (and, for the avoidance of doubt, shall be carried out without regard to clause 5, which shall not apply).
  - (b) **Decision Shall Not Be Implemented:** the decision shall not be implemented if a Poll that was requisitioned under clause 6.7 resulted in Poll Success. Instead:
    - (i) **Further Advice:** the Trustees may seek further professional advice and update the Review Report prepared under clause 6.1 if they consider it appropriate (and notifying any update to the summary of the Review Report provided to the public in accordance with clause 6.3; but for the avoidance of doubt, clause 6.4 does not apply to the updated Review Report); and
    - (ii) **New Decision:** the Trustees must make a new decision (which can be that all, part or none of the Distributable Capital (or its value) remain subject to the MainPower Trust) (the "**Reconsideration Decision**"); provided that a Reconsideration Decision that is required due to a Share Distribution Poll Success must not include as part of it any Share Distribution Decision.
- 6.10 Reconsideration Decision Not Including Share Distribution Decision:** If a Reconsideration Decision does not include a Share Distribution Decision, the Reconsideration Decision is final, there is no right to a further Poll and the Trustees shall implement the Reconsideration Decision as soon as practicable. If implementation includes a distribution to eligible Beneficiaries, the distribution shall be carried out in accordance with clause 7 (and, for the avoidance of doubt, shall be carried out without regard to clause 5, which shall not apply).
- 6.11 Reconsideration Decision Including Share Distribution Decision:** If the Reconsideration Decision does include a Share Distribution Decision, the Trustees must apply the process starting at clause 6.6.

**6.12 Further Initiations of Reviews:** Following the initial review under clause 6.1:

- (a) **Initiate Review:** within six (6) years of the Record Date on the initial review and at six (6) yearly intervals thereafter until the Termination Day, the Trustees shall initiate a review, such review to be completed in accordance with clauses 6.1 to 6.11. For the purpose of assessing the six yearly intervals referred to in this clause each period of six (6) years shall commence on each Record Date;
- (b) **Requisition Review:** notwithstanding the foregoing provisions of this clause 6.12, a review may be requisitioned at any time by:
  - (i) a majority of the Trustees; or
  - (ii) written notice (which may be in one or more notices) by 10% of Qualifying Customers, who for the purpose of this subclause is a customer as defined in subclause (ii) of the definition of "Qualifying Customer" in clause 1.1 of this Deed at the date ("**Qualifying Date**") the requisition is presented to the Trustees. Each group of joint Qualifying Customers is treated as one Qualifying Customer. The notice requisitioning the action by the Trustees in accordance with this clause must be a valid notice as provided in Rule 2.2 of Schedule 7.

If a review is requisitioned in accordance with this clause 6.12(b), the Trustees shall carry out a review in accordance with clauses 6.1 to 6.11;

- (c) **Regulatory Requirement:** any legislative or other Governmental requirement or direction ("**Regulatory Requirement**") that any of the capital of the Trust be distributed, transferred, or otherwise disposed of by the Trustees shall immediately give rise to a review which shall be completed in accordance with clauses 6.1 to 6.11, unless such a review is inconsistent with the Regulatory Requirement.

**6.13 Illustration of This Process:** See Schedule 9 for an illustration of the clause 6 process.

**7. DISTRIBUTION OF CAPITAL OF TRUST FUND**

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**7.1 Distribute in Accordance with Trust Deed:** Notwithstanding any other provision of the Deed, the Trustees shall not before the Termination Day vest or distribute (whether legally or beneficially) any of the capital of the Trust Fund in or to any Beneficiary unless the vesting or distribution is made in accordance with clause 4.11 of the Deed or in accordance with clause 7.2(b) of the Deed.

**7.2 Distributable Capital:** If the Trustees are required under this Deed to implement a Review Decision or Reconsideration Decision that includes a decision to distribute any or all of the Distributable Capital:

- (a) **Settle MainPower Foundation:** the Trustees shall immediately cause the MainPower Foundation to be settled and come into existence (unless it has already come into existence under clause 1.4); and
- (b) **Make Distributions:** the Trustees shall make the distribution as follows (by distribution of assets or their value after realisation):



- (i) 20% (including 20% of any Shares in the Company that are included in the distribution) to the trustees of the MainPower Foundation (provided that if the MainPower Foundation is not registered as a charity under the Charities Act 2005, the distribution under this clause 7.2(b)(i) shall be held in trust until the MainPower Foundation is so registered or re-registered), to be held on the trusts of the MainPower Foundation;
- (ii) 0.5% (half of one percent) (including 0.5% of any Shares in the Company that are included in the distribution) to the trustees of the Entitlements Trust, to be held on the trusts of the Entitlements Trust; and
- (iii) 79.5% (including 79.5% of any Shares in the Company that are included in the distribution) to Qualifying Customers in accordance with their respective allocations as determined by the Capital Allocation Criteria.

**7.3 Returned Distribution:** If any Qualifying Customer who receives a distribution under clause 7.2(b) does not want to retain any or part of the distribution, the Qualifying Customer may return all or part of it to the Trustees, in which event and notwithstanding anything else in this Deed, the Trustees shall hold such of the distribution as has been returned to them (the "**returned distribution**") as part of the capital of the Trust Fund unless the Trustees in their absolute discretion consider that the capital of the Trust Fund will be too small to be practicable in which event the returned distribution shall be distributed by the Trustees to the trustees of the MainPower Foundation to be held on the trusts of the MainPower Foundation.

## **8. ROLL OF QUALIFYING CUSTOMERS**

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**8.1 Prepare Roll:** On each Roll Date, the Secretary shall prepare a roll of Qualifying Customers (the "**Roll**") in accordance with this clause.

**8.2 Information on Roll:** The information to be shown on the Roll shall to the extent necessary or convenient be obtained by the Trustees from the Company or from any Subsidiary of the Company. The Roll shall show as at the Roll Date:

**(a) Residential Qualifying Customers:** For Residential Qualifying Customers whom the Company has classified as residential customers -

- (i) ICP Number;
- (ii) The name/s of the Residential Qualifying Customer at this ICP as per their contract with the Company;
- (iii) Postal address; and
- (iv) Email address;

**(b) Other Qualifying Customer Classified as Irrigation Customers:** For Other Qualifying Customers whom the Company has classified as irrigation customers -

- (i) ICP Number;
- (ii) The name/s of the Other Qualifying Customer at this ICP as per their contract with the Company;
- (iii) Postal address;
- (iv) Appropriate bands of motor capacity; and
- (v) Email address;

(c) **Other Qualifying Customers:** For Other Qualifying Customers -

- (i) ICP Number;
- (ii) The name/s of the Other Qualifying Customer at this ICP as per their contract with the Company;
- (iii) Postal address;
- (iv) Appropriate bands of electricity consumed during the period of twelve (12) months ended on this date; and
- (v) Email address.

**8.3 Establish Roll:** The Roll shall be established within two (2) weeks after the Roll Date. The Returning Officer shall accept the information from the Company or the Subsidiary as accurate and correct, but shall be entitled at any time to add to and remove from the Roll names and addresses and classifications and other necessary details if satisfied that in respect of any Qualifying Customer they have been wrongly omitted from the Roll or (as the case requires) wrongly included or shown on the Roll. The decision of the Returning Officer on whether to add to or remove from the Roll any name or address or classification or other necessary detail shall be final and conclusive.

**8.4 Separate Entry on Roll:** A Qualifying Customer with more than one (1) Metered Electricity Connection shall have a separate entry on the Roll for each of his, her or its Metered Electricity Connections.

**8.5 Joint Entry on Roll:** Joint Qualifying Customers in respect of a Metered Electricity Connection shall be jointly entered on the Roll.

## **9. TRUSTEE DUTIES**

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**9.1 Trustee Duties:** The Trustees are subject to the duties set out in Schedule 10.

## **10. FINANCIAL INFORMATION**

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**10.1 Keep Accounts:** The Trustees shall ensure that full and correct accounts of all the financial transactions of the Trust and its assets and liabilities and funds are kept.

**10.2 Financial Statements:** The Trustees shall within four (4) months after the end of each Financial Year:

- (a) prepare financial statements in accordance with generally accepted accounting practice (within the meaning of section 8 of the Financial Reporting Act 2013, applied as if trusts were reporting entities) with respect to the affairs of the Trust for that Financial Year; and
- (b) submit those financial statements to an auditor for audit.

The Trustees must make available to the public in accordance with clauses 10.3(a), 10.3(b) and 10.4 those audited financial statements and the auditor's report on those financial statements.

**10.3 Make Documents Available to Public:** The Trustees shall make the documents referred to in clause 10.2 available to the public by making copies of them available:

- (a) for inspection at every office of the Trust or at any other place specified in the notification under clause 10.4 (during ordinary office hours) free of charge; and

(b) for purchase at a reasonable price.

**10.4 Advertise in Newspaper:** The Trustees shall also notify the fact that copies are so available (and where) by advertisement in the news section of two (2) separate editions of each newspaper that is widely read by Beneficiaries.

## **11. MEETING OF BENEFICIARIES**

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**11.1 Annual Meeting:** The Trustees must hold an annual meeting of Beneficiaries in each Financial Year. The primary purpose of the annual meeting is to appoint an auditor.

**11.2 Notice of Annual Meeting:** The Trustees must give not less than 14 days' notice of the annual meeting of Beneficiaries to appoint an auditor on the Trust website and in the classified notices sections of two (2) separate editions of the main newspaper publications in the District.

**11.3 Conduct of Annual Meeting:** The chairperson of the Trust from time to time will chair the annual meeting. The quorum for the annual meeting is twenty Beneficiaries. Each Beneficiary has one (1) vote. No business can be transacted unless a quorum of Beneficiaries is present. The regulations under section 114 of the Electricity Industry Act 2010 (if any) may govern proceedings at the annual meeting.

**11.4 Appointment of Auditor:** The auditor appointed at the annual meeting will hold office from the conclusion of that meeting until the conclusion of the next annual meeting of Beneficiaries.

**11.5 Auditor Replacement:** The Trustees may fill any casual vacancy in the office of auditor by appointing an auditor to hold office until the conclusion of the next annual meeting of Beneficiaries (but, while the vacancy remains the surviving or continuing auditor, if any, may continue to act as auditor).

**11.6 Qualification of Auditor:** The auditor:

(a) must be a person who is qualified to act as an auditor under section 35 of the Financial Reporting Act 2013 (as if the Trust was a specified entity) and, in selecting an auditor, the Beneficiaries may seek the advice of the Auditor-General; and

(b) must not be a Trustee, director, employee, or agent of the Trust or of any distributor owned by the Trust or otherwise disqualified from being an auditor under section 36(4)(b) and (d) of the Financial Reporting Act 2013.

**11.7 Incorporation of Statutory Provisions:** In addition to clause 11.6, sections 2078 and 207T to 207W of the Companies Act 1993 and sections 37 to 39 of the Financial Reporting Act 2013 apply in relation to the auditor. Those sections of the Companies Act 1993 apply as if references to a company were to the Trust, references to a director were to a Trustee, references to a board were to the Trustees, references to shareholders were to Beneficiaries, references to a subsidiary were to a distributor owned by the Trust and that distributor's subsidiaries, and all other necessary modifications were made.

**11.8 Remuneration of Auditor:** The fees and expenses of the auditor shall be fixed:

- (a) at the annual meeting of Beneficiaries or in the way the Beneficiaries determine at the meeting, if appointed at the annual meeting;
- (b) by the Trustees, if appointed by the Trustees.

## **12. STATEMENT OF CORPORATE INTENT**

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- 12.1** **SCI:** The Trustees shall receive the SCI in accordance with section 39 of the Act and clause 37 of the Constitution (Operation of Energy Company).
- 12.2** **Trustee Comments on SCI:** In respect of any draft SCI given to the Trustees by the Company, the Trustees shall make comments to the Directors within two (2) months from the date of receipt of the draft SCI.
- 12.3** **Modifications to the SCI:** The Trustees shall exercise where appropriate the right to require modifications to the SCI in accordance with section 40(2) of the Act, but the reference to paragraphs (a) to U) in that section shall be read as a reference to clause 37.3(a) to 37.3(n) of the Constitution, but subject always to the requirements of section 40(3) of the Act.
- 12.4** **Approve Final SCI:** In respect of any final SCI given to the Trustees by the Company, the Trustees will provide their written approval of the SCI to the Company within one month from the date of the final form of SCI.

## **13. TRUSTEE POWERS**

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- 13.1** **Trustee Powers:** The Trustee powers are set out in Schedule 10.

## **14. INFORMATION TO THE PUBLIC**

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- 14.1** **Available to Public:** For the purpose of complying with any requirement under this Deed to make any document or information available to the public (apart from any notice that is required under the Consultative Procedure or that must comply with the notice provisions of that procedure), it shall be sufficient for the Trustees to make such document or Information available for inspection as soon as practicable following the requirement to give notice, during normal business hours on any Working Day at any office of the Trust within the District or any office of the Company within the District or at any other reasonable place within the District or on the Trust's website.
- 14.2** **Public Notice:** The Trustees shall give public notice, in a principal newspaper or newspapers circulating in the District, of the place at which and the times when such documents or information may be inspected by the public.

## **15. INTERESTED TRUSTEES**

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- 15.1** **Disclosure:** 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 customer, shareholder, officer or employee in any company or organisation that is a Customer) shall disclose the nature of that interest at a meeting of the Trustees, and the disclosure shall be recorded in the minutes of the meeting and in an interests register.
- 15.2** **Quorum:** A Trustee required to disclose an interest under clause 15.1 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 vote the vote shall not be counted) provided that the Trustee may be expressly permitted to vote by a resolution of all of the other Trustees present at the meeting given after the disclosure of the interest.

**15.3 Other Trustees:** If any question shall arise at any meeting on the materiality of a Trustee's interest or on the entitlement of any Trustee to vote and the question is not resolved by the Trustee voluntarily agreeing to abstain from voting, the question shall be referred to the other Trustees present at the meeting and their decision in relation to that 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 fully or fairly disclosed.

**15.4 Determined by Remaining Trustees:** If at any meeting of the Trustees, a Trustee is not permitted by the provisions of the Deed to take part in any deliberations or proceedings relating to any matter, the matter may be determined by the remaining Trustees at the meeting and the determination will be valid and binding on all persons.

**15.5 Director or Officer:** Subject to Rule 3.1 of Schedule 3, any Trustee or advisory trustee may act as director, officer or employee of any company the shares or debentures of which form part of the Trust Fund or as director, officer or employee of any Subsidiary company of any such company and may retain for himself or herself personally any remuneration which he or she may receive as any such director, officer or employee any rule of law or equity to the contrary notwithstanding and also notwithstanding that the votes or other rights attached to any such shares or debentures may have been instrumental either alone or in conjunction with other votes or rights in securing the appointment as director, officer or employee.

## **16. LIABILITY**

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**16.1 Limited Liability:** No Trustee acting or purporting to act in the execution of the Trust will be liable for any cost or loss not attributable to the Trustee's own dishonesty, wilful misconduct or gross negligence. In particular, no Trustee will 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 the co-Trustee.

**16.2 Trustee Accountability:** Each Trustee will be accountable only for such monies or other assets as have actually been received by him or her although he or she may have joined in a receipt for money received by another Trustee. No Trustee will be answerable for the acts or omissions of any other Trustee nor for any loss that might arise by reason of any of the Trust Fund being lawfully deposited in the hands of any banker, solicitor, or agent, or for the sufficiency, insufficiency or deficiency of any security upon which any of the Trust Fund might be invested.

**16.3 Consultative Procedure Complied With:** Without limiting clause 16.1, it is declared that no Trustee shall be liable for any loss, cost, act, omission or breach of trust arising from:

- (a) compliance by the Trustees with the Consultative Procedure; or
- (b) the final decision of the Trustees made under or following the Consultative Procedure after the Trustees have properly considered all submissions made under the Consultative Procedure; or

- (c) compliance by the Trustees (to the extent permitted by this Deed) with their final decision under or following the Consultative Procedure including all acts of the Trustees in furtherance of their final decision.

**16.4 Powers of Investment Complied With:** Without limiting clause 16.1, it is declared that no Trustee shall be liable for any loss, cost, act or omission resulting from compliance with clauses 3.2(c) and 3.2(d) of Schedule 10.

## **17. INDEMNITY**

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**17.1 Indemnity:** Each Trustee will be indemnified out of the assets of the Trust for and in respect of any loss or liability which the 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 also in respect of any expenses incurred by the Trustee in the management and administration of the Trust unless such loss or liability is attributable to the Trustee's dishonesty, wilful misconduct or gross negligence.

## **18. APPOINTMENT OF SECRETARY**

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**18.1 Secretary:** The Trustees shall appoint a secretary of the Trust on such terms and conditions as the Trustees and the Secretary agree from time to time.

## **19. EXECUTION OF DOCUMENTS**

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**19.1 Execution:** All documents required to be executed by the Trustees shall be deemed to be validly executed and binding if the documents have been entered into and executed by the authority of the Trustees previously given and are 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.

## **20. PROCEEDINGS, REMUNERATION, AND TERM OF OFFICE OF TRUSTEES**

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**20.1 Meetings and Proceedings:** The Rules set out in Schedule 1 govern the meetings and proceedings of the Trustees and associated matters.

**20.2 Remuneration and Expenses:** The Rules set out in Schedule 2 govern the remuneration and expenses of the Trustees and associated matters.

**20.3 Terms of Office:** The Rules set out in Schedule 3 govern the terms of office of the Trustees (including the appointment and election and retirement of the Trustees) and associated matters.

## **21. VARIATION OF TRUST DEED**

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**21.1** The Trustees have the power by deed after a resolution passed by six (6) out of seven(7) of the Trustees (or by all but one of the Trustees then in office)) to rescind, amend or add to any of this Deed (except its recitals) and any of the schedules to this Deed, but:

- (a) no rescission, amendment or addition may be made that would allow the Trustees to act in conflict with or defeat the intentions of the Settlers as set out in paragraphs (i) to (vii) of the Recitals of this Deed; and

- (b) no rescission, amendment or addition may be made to any of the schedules that would conflict with any of the provisions of this Deed; and
- (c) no rescission, amendment or addition may be made that would transgress the rule against perpetuities in relation to the trusts of this Deed.

**21.2** Each deed of rescission, amendment, or addition under clause 21.1 shall be made available to the public.

## **22. WINDING UP AND TERMINATION**

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**22.1 Wind up on Termination Day:** The effective date of the winding up of the Trust shall be the Termination Day.

**22.2 Settle MainPower Foundation:** Before the Termination Day, the Trustees shall cause the MainPower Foundation to be settled and come into existence, unless it has already come into existence under clause 1.4 or clause 7.2(a) and if the Trustees fail to settle the MainPower Foundation the MainPower Foundation shall be deemed to have been settled by the Trustees prior to the Termination Day by the payment of \$1.00 by the Trustees and the initial trustees of the MainPower Foundation will be the Trustees who will acknowledge receipt of the \$1.00 as the initial trust fund of the MainPower Foundation.

**22.3 Distribute Surplus Assets:** On the Termination Day, any surplus assets (whether income or capital) of the Trust Fund, after the payment of all costs and expenses incurred before or on account of the winding up or termination of the Trust, shall be distributed to the trustees of the MainPower Foundation to be held on the trusts governing the MainPower Foundation.

## **23. TRUSTEE DISPUTE RESOLUTION**

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**23.1 Dispute Notice:** A Trustee may, at any time while there is a genuine dispute relating in any way to this Trust (**Dispute**), give written notice to all other Trustees specifying the subject matter of the Dispute and requiring that the Trustees meet within 10 Working Days after delivery of the notice, to attempt to resolve the Dispute (**Dispute Resolution Meeting**).

**23.2 Mediation:** If the Trustees fail to resolve the Dispute at the Dispute Resolution Meeting, or if a Trustee fails or refuses to attend the Dispute Resolution Meeting within the 10 Working Day period referred to in clause 23.1 or at the time and venue agreed in writing between the Trustees, the Trustees will immediately be deemed to have submitted the Dispute to mediation by a single mediator agreed upon in writing by them or (if they are unable to agree on a mediator within five (5) Working Days after the submission to mediation) nominated by the President for the time being of the New Zealand Law Society (**Mediation**). In the event of any submission to mediation:

- (a) **Not Expert:** the mediator will not be acting as an expert or as an arbitrator;
- (b) **Procedure:** the mediator will determine the procedure and timetable for the mediation; and
- (c) **Costs:** the parties involved in the Dispute will share equally the cost of the mediation.

**23.3 Legal Proceedings:** No party may issue any legal proceedings (other than for urgent interlocutory relief) relating to any Dispute, unless that party has first taken all reasonable steps to comply with clauses 23.1 and 23.2.



EXECUTED AND DELIVERED AS A DEED

SIGNED by ALLAN BERGE

in the presence of: 



Hugh Simon Lindo

Solicitor

Christchurch

SIGNED by JOANNE RACHEL ASHBY

in the presence of:

k fl 1:F- A.



Hugh Simon Lindo

Solicitor

Christchurch

SIGNED by CAMERON HENDER ON

in the presence of:



Hugh Simon  Undo

Christchurch

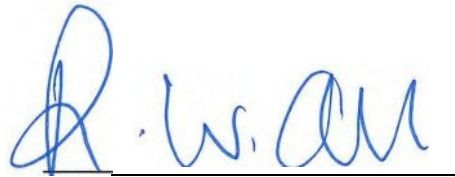
SIGNED by RICHARD WILLIAM ALLISON

in the presence of:

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Accountant

u.



SIGNED by KEVIN WARREN BROOKFIELD

in the presence of:...



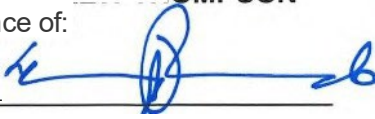


Hugh Simon Lindo

Solicitor

Christchurch


**SIGNED** by **ANDREW THOMPSON**  
in the presence of:



\_\_\_\_\_

Hugh Simon Lindo  
Solicitor  
Christchurch

**SIGNED** by **GARY WALTON**  
in the presence of:

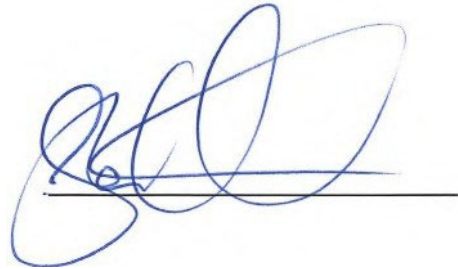


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Hugh Simon Lindo  
Solicitor  
Christchurch



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## MAINPOWER TRUST

### SCHEDULE 1 PART1

#### RULES REGULATING MEETINGS OF TRUSTEES

##### 1. INTERPRETATION

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- 1.1 Defined Terms:** Terms in these Rules have the same meaning as in the Deed, unless otherwise provided or the context otherwise requires.
- 1.2 Interpretation:** These Rules will 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 prevail.

##### 2. QUORUM

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- 2.1 Quorum:** A quorum for meetings of Trustees shall be five (5) Trustees (or all but two (2) of the Trustees then in office).

##### 3. TIME OF MEETING

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- 3.1 Time of Meeting:** Subject to these Rules and to the Deed, the Trustees shall meet and regulate their meetings as they think fit.

##### 4. NOTICE OF MEETINGS

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- 4.1 Notice of Meeting:** Any Trustee may at any time summon a meeting. Five (5) Working Days' notice in writing of any meeting (stating the place, day and time of the meeting) shall be delivered, posted or emailed by the Trustee or the Secretary to each of the Trustees unless all of the Trustees agree to shorten or waive the period of notice. It is not necessary to give notice of a meeting to Trustees who are absent from New Zealand.
- 4.2 Resumption:** No notice shall be necessary for the resumption of adjourned meetings except to Trustees not present at the adjourned meeting.

##### 5. CHAIRMAN

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- 5.1 Elect Chairman:** The Trustees may from time to time elect one of themselves as chairman of their meetings and decide on the period for which the chairman will hold office.
- 5.2 Chair Meetings:** The chairman (or in the absence of the chairman, another Trustee elected by the meeting) shall take the chair at all meetings of the Trustees.

##### 6. RESOLUTIONS

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- 6.1 Resolution of 4:** Other than resolutions which are required by the Deed or these Rules to be decided by a specified majority of the Trustees then in office, all questions and matters arising at meetings of Trustees shall be decided by resolution

of not fewer than four (4) of the Trustees present at the meeting or such other number of Trustees that constitute a majority of Trustees then in office.

**6.2 In Lieu of Meeting:** Subject to prior compliance with Rule 4.1, in the case of a question or matter that may be decided by not fewer than four (4) Trustees (or such other number of Trustees that constitute a majority of Trustees then in office), a resolution in writing signed by not fewer than four (4) (or such other number of Trustees that constitute a majority of Trustees then in office) of the Trustees who constitute a quorum for a meeting shall be as effective as if it had been passed at a meeting. Such a resolution may consist of several like documents each signed by one or more Trustees and may be sent by email in PDF or other document reproduction format.

**6.3 Resolution of 5:** Each of the following decisions must be made by a resolution of not fewer than five (5) (or all but two (2) of the Trustees then in office) of the Trustees present at a meeting:

- (a) a decision by the Trustees to support a Shareholding Proposal under clause 5.2; and
- (b) a final decision of the Trustees on a Shareholding Proposal in accordance with Rule 3.1(i) of the Consultative Procedure.

**6.4 Rescind or Vary:** Any resolution of the Trustees may be rescinded or varied from time to time by the Trustees in the same manner as it was passed.

**6.5 Vary Constitution:** A decision to revoke, amend or add to the constitution of the Company must be made by resolution of not fewer than five (5) (or all but two (2) of the Trustees then in office) of the Trustees.

## **7. AUDIBLE OR VISUAL COMMUNICATION**

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**7.1 Communication:** A meeting of enough of the Trustees to constitute a quorum may take place when one or more of them is linked audibly or visually (by telephone or any other means of audible or visual communication) to the others as long as the following conditions are met:

- (a) the Trustees taking part in the meeting, whether physically present or linked audibly or visually, must have received notice of the meeting (or have waived notice) under Rule 4.1 and must constitute a quorum;
- (b) each of the Trustees taking part in the meeting must be able to hear or see (in the case of visual communication) each of the other Trustees taking part at the commencement of the meeting and (subject to the terms on which a Trustee may leave the meeting under Rule 7.2) throughout the meeting;
- (c) at the commencement of the meeting each of the Trustees must acknowledge his or her presence to all the other Trustees taking part in the meeting.

**7.2 Consent to Leave Meeting:** A Trustee must not leave a meeting (whether by departing or by disconnecting his or her telephone, internet, or the other means of communication) unless he or she has previously obtained the express consent of the chairman of the meeting. A Trustee shall be conclusively presumed to have been present and to have formed part of the quorum at all times during the meeting unless he or she has previously obtained that express consent of the chairman.

## 8. MINUTES

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- 8.1 Keep Minutes:** The Trustees are to keep minutes of their meetings and of all of their decisions. The minutes shall be kept in a minute book maintained by the Secretary or other person appointed by the Trustees.
- 8.2 Minutes are Binding:** Any minute of a meeting of the Trustees (including their decisions) purporting to be signed by the chairman of the meeting is prima facie evidence of the matters referred to in it having been authorised, done or passed by the Trustees. The decisions recorded in the minutes shall be read in conjunction with the Deed and will be binding on all persons.

## 9. ADJOURNMENT

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- 9.1 No Quorum:** If a quorum is not present within thirty minutes after the time appointed for any meeting, the Trustees or Trustee present may adjourn the meeting.
- 9.2 Resolution to Adjourn:** Any meeting may be adjourned if the Trustees present so resolve.

## 10. COMMITTEES

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- 10.1 Committee of Trustees:** The Trustees may from time to time appoint any one or more of the Trustees to be a committee for performing any duty, power or function which in the opinion of the Trustees will further the purposes and functions of the Trust, but this Rule does not detract from the requirements of Rules 6.1 to 6.5.
- 10.2 Quorum of Committee:** Subject to these Rules and to any directions from time to time given by the Trustees, every committee may meet and regulate its own procedure but a quorum at any of the meetings of the committee shall comprise a majority of its members for the time being.
- 10.3 Application of Rules:** Rules 7.1 to 7.2, and 8.1 to 8.2 and 9.1 to 9.2 apply to each committee with any necessary modifications.

## 11. VALIDITY OF PROCEEDINGS

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- 11.1 Validity of Proceedings:** All acts done by any meeting of Trustees or of a committee of Trustees shall be valid notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Trustee or person acting as a Trustee or that they or any of them were for any reason disqualified from being a Trustee.

## 12. INTERESTED TRUSTEES

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- 12.1 Interested Trustees:** For the avoidance of doubt, it is declared that clauses 16.1 to 16.4 of the Deed and section 31 of the Trusts Act 2019 govern the case and consequences of a Trustee having an interest in matters concerning the Trust.

## PART2

### RULES REGULATING TRUSTEES ATTENDANCE AT MEETINGS OF THE COMPANY

#### 13. TRUSTEE ATTENDANCES AT MEETINGS OF THE COMPANY

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- 13.1 Appointing a Proxy:** Notwithstanding any other provision of the Deed, at meetings of the Company or any Subsidiary the Trustees shall exercise collectively their vote in respect of Shares in the Company.
- 13.2 Deposit of Proxy:** To this end, the Trustees shall from time to time deposit, in accordance with the Constitution (or other rules concerning voting) of the Company or any Subsidiary, an instrument of proxy appointing a proxy for each meeting of the Company or Subsidiary in respect of the Trustees' Shares in the Company.
- 13.3 Direction to Vote by Proxy:** The instrument shall direct the proxy how the Trustees' votes are to be cast, or shall leave the proxy to vote as the proxy thinks fit. The Trustees shall have power to appoint a substitute proxy to act in the event of death, incapacity, or other inability of the proxy.
- 13.4 Proxy to be Trustee:** Unless the Trustees shall otherwise decide, any proxy appointed pursuant to this clause shall be a Trustee.
- 13.5 Term of Appointment of Proxy:** Any proxy shall be appointed in accordance with this clause for specific meetings, or for any period that the Trustees may decide.
- 13.6 Attendance of Trustees:** This clause shall not preclude any Trustee who is not the proxy from attending meetings or speaking at meetings, but a Trustee who is not a proxy shall not interfere with or defeat, or attempt to interfere with or defeat, the proxy in the exercise of the proxy's powers.

## MAINPOWER TRUST

### SCHEDULE 2

#### RULES GOVERNING THE REMUNERATION AND EXPENSES OF TRUSTEES

##### 1. INTERPRETATION

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- 1.1 Defined Terms:** Terms in these Rules have the same meaning as in the Deed, unless otherwise provided or the context otherwise requires.
- 1.2 Interpretation:** These Rules will be construed subject to the provisions of the Deed, and in the case of conflict between the provision of these Rules and those of the Deed the provisions of the Deed prevail.

##### 2. FEES AND OTHER REMUNERATION

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- 2.1 Remuneration:** The Trustees shall be entitled to such fees or other remuneration for their services as is reasonable having regard to their duties and responsibilities. The Trustees must seek independent advice on the appropriate levels of remuneration for people in similar positions to theirs, carrying out similar duties and obligations, and seek a review of that advice every two years (as a minimum) unless they determine otherwise.
- 2.2 Source of Payments:** The costs, fees, disbursements and all other expenses of the operation of the Trust and the Entitlements Trust and, at the discretion of the Trustees, the MainPower Foundation, including all remuneration, fees or other expenses payable under the schedules to the Deed and the schedules to the deed governing the Entitlements Trust and the MainPower Foundation, shall be paid by the Trustees from the income of the Trust and if the income is insufficient shall be paid from the capital of the Trust.

##### 3. TRAVELLING EXPENSES

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- 3.1 Travelling Expenses:** The Trustees shall be entitled to reasonable travelling and other expenses incurred in attendances at meetings of Trustees and incurred when otherwise engaged on the business or affairs of the Trust.

##### 4. MISCELLANEOUS

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- 4.1 Normal and Reasonable:** Any Trustee who is employed in connection with the Trust may be paid such remuneration for his or her services or the services of his or her firm as would be normal and reasonable if he or she was not a Trustee.
- 4.2 Trust Fund:** The payments of fees and other remuneration and all expenses to the Trustees pursuant to these Rules shall be paid out of the Trust Fund.

**MAINPOWER TRUST**

**SCHEDULE 3**

**RULES GOVERNING THE TERM OF OFFICE OF THE TRUSTEES (INCLUDING  
APPOINTMENT AND ELECTION)**

**1. INTERPRETATION**

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- 1.1 Defined Terms:** Terms in these Rules have the same meanings as in the Deed, unless otherwise provided or the context otherwise requires.
- 1.2 Interpretation:** 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 prevail.
- 1.3 Roll Date:** The Roll Date applicable to these Rules is the "**Election Roll Date**", and all references in these Rules to the Roll Date shall be construed accordingly\_
- 1.4** In these Rules unless the context otherwise requires:
- (a) "**Commencement Day**" means the day on which the Elected Trustees begin their term of office, being the day that is two (2) weeks after the Election Day on which the Elected Trustee was last elected;
  - (b) "**Closure of Nominations**" means 5.00 p.m. on the day that is six (6) weeks before the Election Day; or such other time determined by the Trustees pursuant to Rule 13.2(b);
  - (c) "**Closure of Voting**" means 12 noon on the Election Day; or such other time determined by the Trustees pursuant to Rule 13.2(b);
  - (d) "**District Councils**" means the Waimakariri District Council, the Hurunui District Council and the Kaikoura District Council and any other territorial authority (as defined in the Local Government Act 2002) applicable to the District;
  - (e) "**Elected Trustees**" means the Trustees who are declared elected under Rules 10.1 or 10.2 or 12.4 and except where these Rules state otherwise includes any Trustees appointed under Rule 5.1(c);
  - (f) "**Election Day**" means the date of any election held pursuant to Rule 2.3, being the first Friday of March 2008 and the first Friday in March at triennial intervals thereafter; and (except for the purposes of Rule 6.1) the date of any Special Election set by the Trustees pursuant to Rule 13.2(a);
  - (g) "**Election Results**" means the results of the voting declared by the Returning Officer under (as the case requires) Rules 10.1 or 10.2 or 12.4;
  - (h) "**Election Roll Date**" means midnight on the day that is six (6) weeks before each Election Day; or such other time period determined by the Trustees pursuant to Rule 13.2(b);
  - (i) "**Retiring Trustees**" means the Trustees retiring pursuant to Rule 6.1;



- (j) **"Returning Officer"** is defined in Rule 7.1;
- (k) **"Special Election"** means an election called by the Trustees pursuant to Rules 13.1 and 13.2;
- (l) **"Trustee Vacancies"** means a vacancy or vacancies to be filled on each Election Day in order to replace any Retiring Trustees and any Trustee that has ceased to be an Elected Trustee pursuant to Rule 4.2, where no Trustee has been elected or appointed as a replacement pursuant to Rule 5.1(b) or 5.1(c); or where no Trustee has been appointed pursuant to Rule 10.2(a), and bring the total number of Elected Trustees to seven (7).

## 2. NUMBER AND SELECTION OF TRUSTEES

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- 2.1 Number of Trustees:** Subject to Rules 5.1(a) and 10.2(b), the number of Trustees of the Trust shall be seven (7).
- 2.2 Elected:** The Trustees shall be elected by Qualifying Customers in accordance with these Rules.
- 2.3 Elections:** Elections pursuant to Rule 2.2 shall be held:
  - (a) on the first Friday of March 2008;
  - (b) on the first Friday of March at triennial intervals thereafter; and
  - (c) at such other times as the Trustees determine pursuant to Rules 13.1 and 13.2.

## 3. ELIGIBILITY

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- 3.1 Eligibility:** A person is not permitted to be a Trustee if he or she is:
  - (a) a mayor or councillor of any District Council;
  - (b) a Director or employee of the Company, but this Rule does not apply to the First Trustees or to the Trustee appointed by the Company prior to 1 December 2008;
  - (c) an officer or employee of the Trust;
  - (d) 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, or to any order under section 299 of the Insolvency Act 2006;
  - (e) a person who has been convicted of any offence punishable by a term of imprisonment of two or more years unless that person has obtained a pardon or has served the sentence or otherwise suffered the sentence imposed upon that person;
  - (f) a person who has been sentenced to imprisonment for any offence unless that person has obtained a pardon or has served the sentence;

- (g) a person disqualified from being a director of a company under section 382 of the Companies Act 1993;
- (h) a person in respect of whom an order has been made under section 383 of the Companies Act 1993;
- (i) a person who is not an elector for the purposes of the Electoral Act 1993;
- (j) a person who is not a Qualifying Customer;
- (k) a person to whom a written notice has been given in accordance with section 385 of the Companies Act 1993;
- (l) a person who is mentally disordered within the meaning of the Mental Health (Compulsory Assessment and Treatment) Act 1992;
- (m) a person who is subject to a property order made under section 30 or section 31 of the Protection of Personal and Property Rights Act 1988; and
- (n) a person who is not on the Roll as at the Roll Date.

#### 4. TERM OF OFFICE

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##### 4.1 Term of Office: The term of office:

- (a) **Elected Trustee:** for an Elected Trustee, shall be the period that begins on the Commencement Day and ends at midnight on the day on which the Trustee retires pursuant to Rule 6.1, as modified by Rules 4.1(b) or 4.1(c) (if applicable);
- (b) **Elected Under Rule 5.1(b):** for an Elected Trustee who has been elected under Rule 5.1(b), shall be the unexpired portion of the term of office of the Trustee who is replaced by that Elected Trustee;
- (c) **Elected Under Rule 5.1(c):** for an Elected Trustee who has been appointed under Rule 5.1(c) or Rule 10.2(a) shall be the period that begins on the day specified in the appointment (but not being earlier than the time and day of the appointment) and ends at midnight on the day on which the Trustee retires pursuant to Rule 6.1(a),

and a person shall cease to be a Trustee when his or her term of office as a Trustee ends under this Rule 4.1.

##### 4.2 Retirement of Trustee: Notwithstanding the term of office set out in Rule 4.1, a person shall cease to be a Trustee:

- (a) **Resignation:** if the Trustee resigns by written notice to the other Trustees; or
- (b) **Ineligible:** if the Trustee is or becomes a person whom Rule 3.1 does not permit to be a Trustee; or
- (c) **Death:** if the Trustee dies; or
- (d) **Refusal:** if the Trustees refuses to act in his or her capacity as a Trustee; or

- (e) **Absence:** if the Trustee is absent without leave from three (3) consecutive ordinary meetings of the Trustees.

**4.3 Actions on Retirement:** When a person retires as a Trustee (the **Retiring Trustee**) all assets comprising the Trust Fund held by that Trustee (whether jointly or individually) shall immediately and without further formality vest in the persons who are or will be the continuing Trustees immediately after the Retiring Trustee has retired on and subject to the terms of this Deed.

**4.4 Consequences of Retirement:** The Retiring Trustee or his or her personal representative shall sign all documents necessary to give effect to the retirement.

**4.5 Appointment of Attorney:** On appointment, each Trustee will execute a limited power of attorney irrevocably appointing the chairperson from time to time as his or her attorney for the purposes of signing any documents and giving the Company and any third party notice of the Trustee's retirement to ensure that the register of members records the Trustees for the time being as shareholders.

**4.6 Keep Records:** The Trustees or the Secretary will maintain a record of the appointment and retirement of Trustees.

## **5. VACANCIES**

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**5.1 On Retirement:** If a Trustee ceases to be a Trustee, the remaining Trustees shall, as soon as practicable, do one of the following:

- (a) **Continue:** if a Trustee ceases to be a Trustee within six months of an Election Day and the number of Trustees is then six (6), the Trustees may in their discretion continue with six (6) Trustees; or
- (b) **Special Election:** the Trustees may call a Special Election under Rule 13.1 to elect another person as a replacement for the Trustee; or
- (c) **Appoint Replacement:** the Trustees may appoint another person as a replacement for the Trustee.

## **6. ELECTIONS AND ELECTION DAYS**

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**6.1 Trustees to Retire:** Subject to Rule 6.3, the following Trustees must retire on the day that is thirteen (13) days after each Election Day (provided that where necessary the Trustees to retire shall be determined prior to the publication of the notice of election referred to in Rule 8.1):

- (a) **Replacement Trustees:** all of those Trustees that have been appointed as a replacement by the remaining Trustees in accordance with Rules 5.1(c) or Rule 10.2(a) where that appointment took effect since the notice of election referred to in Rule 8.1 and relating to the preceding Election Day was published; and
- (b) **Elected Trustees:** all those Elected Trustees that were not declared elected under Rules 10.1, 10.2 (other than under Rule 10.2(a)) or 12.4 at the most recent election, subject to Rule 6.2 and having regard to Rule 4.1(b) for Elected Trustees elected at a Special Election.

**6.2 Less Trustees to Retire:** If the application of Rule 6.1(b) would result in the number of Trustee Vacancies at the election in question being more than three

(3) then the number of Trustees required to retire under Rule 6.1(b) will be reduced pursuant to Rule 6.3 so that the number of Trustee Vacancies is three (3) provided that if the number of Trustee Vacancies is more than three due solely to the application of Rule 6.1(a) and any vacancy caused by a Trustee ceasing to be an Elected Trustee where no Trustee has been elected or appointed as a replacement pursuant to Rules 5.1(b) or 5.1(c) the number of Trustee Vacancies may be more than three (3) but no Elected Trustees will be required to retire pursuant to Rule 6.1(b).

**6.3 Determination of Retiring Trustees:** If the number of Trustees required to retire under Rule 6.1(b) is reduced pursuant to Rule 6.2, then:

- (a) subject to Rule 6.3(c), the Trustees that are not required to retire *will* be those that have served as Trustees for the shortest continuous period (including any re-elections following an Election Day, but counting the period of service of the replaced Trustee *if* a Trustee has been elected under Rule 5.1(b));
- (b) if more than the required number of Trustees have served as Trustees for the same continuous length of *time*, then the Trustee(s) that are not required to retire will be determined by lot;
- (c) the Trustees that are not required to retire will be the first Trustees available for retirement at the next election, regardless of whether any other Elected Trustee has served as Trustee for a longer continuous period.

**6.4 Election to Fill Vacancies:** An election shall take place in accordance with these Rules in relation to each Election Day to fill any Trustee Vacancies.

**6.5 Eligibility for Re-Election:** All Retiring Trustees are eligible for re-election and, notwithstanding Rule 9.1, are automatically deemed to be nominated for re-election in accordance with these Rules, unless the Retiring Trustee gives notice to the contrary to the Secretary seeking not to be re-elected or is otherwise ineligible for re-election.

**6.6 Application of Rules:** For the purposes of the election of Trustees, Rules 7.1 to 7.6, 8.1, 9.1 to 9.5, 10.1 to 10.4, 11.1 to 11.6 and 12.1 to 12.5 apply.

## **7. RETURNING OFFICER**

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**7.1 Returning Officer:** Subject to Rule 13.2(b), for each election of Trustees there shall be a returning officer (the "**Returning Officer**") who shall be appointed by the Trustees not fewer than four (4) months before each Election Day.

**7.2 Ineligibility:** A Trustee or a Director or a director of any Subsidiary of the Company must not be a Returning Officer.

**7.3 Replacement Returning Officer:** In the event of the death, incapacity or cessation of office of the Returning Officer, a replacement Returning Officer shall be appointed by the Trustees.

**7.4 Conduct Election:** The Returning Officer shall conduct the election of Trustees. To the extent that any procedure or matter for election of Trustees is not prescribed by these Rules, the Returning Officer shall specify the procedure or matter and shall act accordingly as long as the procedure or matter does not conflict with anything set out in these Rules. The Returning Officer may use the services of such persons

and companies as the Returning Officer deems appropriate, and the Trustees may make reasonable payment for their services from the Trust Fund. In the event of doubt or dispute as to any matter affecting the election, the Returning Officer shall resolve the doubt or dispute, and the decision of the Returning Officer shall be final and conclusive.

**7.5 Remuneration:** The Returning Officer is entitled to receive such reasonable remuneration and payment of expenses as the Trustees shall determine after consultation with the Returning Officer.

**7.6 Perform Duties:** The Returning Officer and every person assisting the Returning Officer shall faithfully and impartially perform his or her duties, and shall not directly or indirectly:

- (a) before declaring the Election Results, make known the state of the voting, or give or pretend to give any information by which the state of the voting might be known;
- (b) make known for which candidate or candidates any Qualifying Customer has voted;
- (c) give any person any information likely to defeat the secrecy of the voting at the election.

## **8. NOTICE OF ELECTION OF TRUSTEES**

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**8.1 Notice of Election:** Subject to Rule 13.2(b), not fewer than fifty-five (55) days but no more than seventy-five (75) days before the Election Day the Returning Officer shall insert an appropriate notice in one (1) or more principal newspapers circulating within the District, containing the following information, or referring to the website where the following information is available:

- (a) a general indication of the nature of the election; and
- (b) the place at which nomination forms may be obtained and to which they must be returned; and
- (c) the day and time of the Closure of Nominations; and
- (d) the day and time that will be the Closure of Voting if, under Rule 10.4, a vote is required; and
- (e) the number of Trustee Vacancies; and
- (f) the full names of the Retiring Trustees; and
- (g) the full names of the Retiring Trustees that are deemed to be nominated for re-election; and
- (h) any other information determined by the Returning Officer to be relevant to the election.

## **9. NOMINATIONS**

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**9.1 Nomination of Candidates:** Subject to Rule 6.5, every nomination of a candidate shall be in writing. Every nominated candidate must be on the Roll as at the Roll

Date and must be nominated by two (2) Qualifying Customers who are on the Roll as at the Roll Date. A Qualifying Customer cannot nominate himself or herself. Nominations shall be in such form as the Returning Officer may decide, but shall include:

- (a) the full name and address and signature of the candidate; and
- (b) a statement by the candidate that the candidate is not, and to the best of the candidate's knowledge and belief will not be on the Election Day, disqualified from holding office as a Trustee by reason of any of the matters set out in Rule 3.1; and
- (c) the full name, address and signature of each nominator.

**9.2 Deposit:** The Returning Officer shall require each candidate (including any Retiring Trustee that is deemed to be nominated for re-election) to pay a deposit of such amount as the Returning Officer shall consider reasonable. All candidates for any election shall be required to pay the same deposit. The deposit shall accompany the candidate's nomination form, or, in the case of a Retiring Trustee that is deemed to be nominated for re-election, be payable prior to publication of the notice pursuant to Rule 8.1. The deposit shall be refundable to the candidate if the candidate becomes a Trustee under Rules 10.1 or 10.2 or 12.4 or if on a vote for the Trustees, the total number of votes received by the candidate is not less than one-quarter of the votes received by whomever of the successful candidates receives the fewest votes. The deposit of a candidate shall be forfeited and shall become part of the Trust Fund if there is a vote and the total number of votes received by the candidate is less than one-quarter of the votes received by the successful candidate who received the fewest votes.

**9.3 Invalid Nomination:** The Returning Officer shall be entitled to declare any nomination invalid where:

- (a) on reasonable grounds the Returning Officer has good cause to believe that the candidate is ineligible for election in terms of Rule 3.1; or
- (b) the nomination was not received by the Returning Officer before the Closure of Nominations; or
- (c) the nomination form has not been completed correctly by the candidate or any nominator; or
- (d) the candidate or one or both of his or her nominators does not comply with Rule 9.1.

**9.4 Ineligible Candidate:** The nomination of a candidate shall be deemed to have never been made, and the candidate shall be ineligible for election, if:

- (a) the nominators withdraw the nomination by notice received by the Returning Officer before Closure of Nominations; or
- (b) the candidate withdraws by notice received by the Returning Officer before a result is declared; or
- (c) the candidate dies before a result is declared; or
- (d) before a result is declared, the candidate becomes a person whom Rule 3.1 does not permit to be a Trustee.

**9.5 Closure of Nominations:** Nominations shall close on the Closure of Nominations.

## **10. PROCEDURE ON CLOSURE OF NOMINATIONS**

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**10.1 Sufficient Nominations:** If, by the Closure of Nominations, the number of valid nominations of candidates received by the Returning Officer (including the deemed nominations of any Retiring Trustee(s)) equals the number of Trustee Vacancies, the Returning Officer shall declare those nominated persons to be elected as Trustees and shall then publish the result of the election, or reference to the website on which the results are published, in one or more principal newspapers circulating in the District.

**10.2 Insufficient Nominations:** If, by the Closure of Nominations, the number of valid nominations of candidates received by the Returning Officer (including the deemed nominations of any Retiring Trustee(s)) is less than the number of Trustee Vacancies, the Returning Officer shall declare those candidates to be elected as Trustees. Those candidates together with the remaining Elected Trustees shall then jointly do one of the following:

- (a) fill the vacancies by the appointment in writing of the appropriate number of persons (being Qualifying Customers who are on the Roll as at the Roll Date and who consent in writing) to be Trustees. The Returning Officer shall then declare the appointees to be elected as Trustees;
- (b) if the number of Trustees is then six (6), the Trustees may in their discretion continue with six (6) Trustees, in which case they shall give written notice of this to the Returning Officer who shall declare the election to be at an end; or
- (c) call a Special Election to fill any Trustee Vacancy at a date to be determined by the Trustees provided that, notwithstanding the Trustees calling a Special Election, the election will be at an end.

**10.3 Publish Results:** The Returning Officer shall then publish the result of the election (including the appointment(s)), or reference to the website on which the results are published, in one (1) or more principal newspapers circulating in the District.

**10.4 Excessive Nominations:** If, by the Closure of Nominations, the number of valid nominations of candidates received by the Returning Officer (including the deemed nominations of any Retiring Trustee(s)), exceeds the number of Trustee Vacancies, there shall be a vote to decide which of the candidates shall become Trustees. The procedure for the vote is set out in Rules 11.1 to 11.6. The procedure for the counting of votes and for declaring the result of the voting is set out in Rules 12.1 to 12.5.

## **11. VOTING**

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**11.1 Eligibility to Vote:** Eligibility to vote is as follows:

- (a) subject to Rule 11.1(b), each Qualifying Customer on the Roll as at the Roll Date shall be entitled to one (1) vote for each entry of that Qualifying Customer's name on the Roll;
- (b) each group of joint Qualifying Customers is entitled to only one (1) vote between them, and anyone in that joint group may exercise the vote of that joint group;

- (c) a Qualifying Customer that is a company or is another incorporated or unincorporated body (other than a joint Qualifying Customer) or is a local authority is entitled to exercise each of its votes through a representative (who may also be a Qualifying Customer on the Roll and entitled to exercise a personal vote).

**11.2 Number of Candidates:** Persons who are entitled to vote shall not vote for a number of candidates that exceeds the number of Trustee Vacancies, but may vote for fewer candidates than that number.

**11.3 Voting Process:** Subject to Rule 13.2(b), not fewer than fourteen (14) days before the Election Day, the Returning Officer shall send:

- (a) by email or other electronic means; or
- (b) if there is no recorded email address, by ordinary post to the relevant address shown on the Roll,

to every Qualifying Customer on the Roll as at the Roll Date:

- (c) an electronic or printed voting paper or access to a website or other electronic address containing:
  - (i) names of all candidates validly nominated, including the names of any Retiring Trustees that are deemed to be nominated for re-election, arranged on the voting paper in random order, such that the order of the names of the candidates is determined randomly or nearly randomly for each voting paper; and
  - (ii) appropriate instructions on voting; and
- (d) notification (which may be on the voting paper) of the day and time of the Closure of Voting; and
- (e) if forwarded by post, a postage paid return addressed envelope.

**11.4 Valid Election:** If any Qualifying Customer does not receive a voting paper in accordance with Rule 11.3, the election of Trustees shall still be valid.

**11.5 Invalid Vote:** A vote is invalid and shall not be counted if:

- (a) the voting paper is received by the Returning Officer after the Closure of Voting; or
- (b) the Qualifying Customer votes more than once unless authorised to do so by Rule 11.1; or
- (c) on the same voting paper the Qualifying Customer votes for more candidates than the number of Trustee Vacancies; or
- (d) in the opinion of the Returning Officer, the voting paper does not indicate the candidate or candidates for whom the Qualifying Customer intended to vote; or



- (e) the Returning Officer believes, on reasonable grounds, that the vote was not made on the voting paper that was sent to the Qualifying Customer by the Returning Officer.

**11.6 Internet Voting:** For the avoidance of doubt, the Returning Officer may, with the consent of the Trustees, determine that votes may be cast by way of internet voting, and the Returning Officer may specify the procedure for internet voting, provided that where the Returning Officer determines that votes may be cast by way of internet voting:

- (a) the system and procedures used to accept and process internet votes will not permit any votes to be cast or counted that do not comply with Rules 11.1 and 11.2; and
- (b) the Returning Officer must also accept printed voting papers; and
- (c) the Returning Officer must ensure that no Qualifying Customer is able to cast more than one (1) vote, and must develop protocols in the event that a Qualifying Customer attempts to vote more than once by casting both an internet vote and a postal vote. These protocols must be included with the voting paper sent pursuant to Rule 11.3; and
- (d) the Returning Officer must continue to comply with Rule 11.3 and the electronic or printed voting paper must include clear instructions on both the postal voting and the internet voting procedures; and
- (e) any reference to "voting papers" in Rule 11.5 will be read as a reference to both postal votes and internet votes.

## **12. RESULT OF VOTING INCLUDING COUNTING OF VOTES**

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- 12.1 Count:** The Returning Officer, along with such other persons (not being a candidate in the election or a nominator of a candidate in the election) as the Returning Officer shall appoint shall, as soon as practicable after the Closure of Voting, but in any event not later than seven (7) days after the Election Day, count the valid votes cast for each candidate.
- 12.2 Re-Count:** Before declaring the result of the voting, the Returning Officer may re-count the valid votes as many times as he or she thinks fit.
- 12.3 Successful Candidates:** The candidates who shall become Trustees shall be the number of candidates equal to the number of Trustee Vacancies, who receive the highest number of valid votes cast in the election. If there is an equality of votes between candidates and the addition of a vote would entitle one of those candidates to become a Trustee, the Returning Officer shall determine by lot (in the presence of the candidates whose votes are equal and such other person or persons (if any) as the Returning Officer may decide) which candidate or candidates shall be deemed to have been elected as a Trustee.
- 12.4 Results:** After ascertaining which candidates have been elected (which must be within eight (8) days after the Closure of Voting), the Returning Officer shall declare the result of the voting including the names of the candidates elected or deemed to be elected. He or she will then publish the results (including the number of valid votes for each candidate), or reference to the website on which the results are published, in one or more principal newspapers circulating in the District.

- 12.5 Destroy Voting Papers:** After the Election Results have been published, the Returning Officer shall decide when to destroy the voting papers but shall not destroy the papers within three (3) months after the Election Day.

### **13. SPECIAL ELECTION**

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- 13.1 Call Special Election:** As provided by Rule 2.3(c), the Trustees may call a Special Election at any time to fill a Trustee Vacancy or Trustee Vacancies where:

- (a) the Trustees have agreed that a replacement Trustee or Trustees be elected pursuant to Rule 5.1(b); or
- (b) the Trustees have agreed to hold a further election pursuant to Rule 10.2(c).

- 13.2 Rules:** Rules 7.1 to 7.6, 8.1, 9.1 to 9.5, 10.1 to 10.4, 11.1 to 11.6 and 12.1 to 12.5 shall apply to Special Elections held under Rule 13.1 subject to the following:

- (a) the Trustees shall determine the date of the Election Day; and
- (b) the Trustees shall have the discretion to determine the date, dates, time, times or time period for:
  - (i) appointment of Returning Officer pursuant to Rule 7.1;
  - (ii) notice of election pursuant to Rule 8.1;
  - (iii) Election Roll Date;
  - (iv) Closure of Nominations;
  - (v) posting voting papers pursuant to Rule 11.3;
  - (vi) Closure of Voting;

and for the purposes of a Special Election these Rules shall be varied accordingly; and the Trustees shall otherwise have the discretion to vary the process for the holding of a Special Election if the Trustees consider it necessary.

### **14. MISCELLANEOUS**

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- 14.1 Remuneration:** All remuneration, costs and expenses in connection with the election of Trustees will be met from the Trust Fund.

- 14.2 Variation of Timing Requirements:** The Trustees may vary the timing requirements set out in this Schedule -

- (a) if they consider (acting reasonably) that to do so would be in the best interests of the Trustee election processes set out in this Schedule; or
- (b) if factors beyond the control of the Trustees disrupt or potentially disrupt the election process.

## MAINPOWER TRUST

### SCHEDULE 4

#### CONSULTATIVE PROCEDURE

##### 1. INTERPRETATION

---

- 1.1 Defined Terms:** Terms in these Rules have the same meaning as in the Deed, unless otherwise provided or the context otherwise requires.
- 1.2 Interpretation:** These Rules will be construed subject to the provisions of the Deed, and in the case of conflict between the provision of these Rules and those of the Deed the provisions of the Deed prevail.
- 1.3 Application to Consultative Procedure:** These Rules apply whenever the Deed requires the Trustees to carry out the Consultative Procedure.
- 1.4 Definition:** In these Rules:
- "Proposal" means (as the case requires):
- (a) a Shareholding Proposal supported by the Trustees under clause 5.2; or
  - (b) a Capital Distribution Review Proposal; or
  - (c) a disposal of MainPower Shares in circumstances in which clause 3.2(d) in Schedule 10 requires the Consultative Procedure to be carried out.

##### 2. NOTICE

---

- 2.1 Give Notice:** For the purpose of these Rules, a requirement to give notice means:
- (a) **Available for Inspection:** to make the notice (or any document or information that must be made available to the public) available for inspection during normal business hours on any Working Day at:
    - (i) the website and/or the office of the Trust within the District;
    - (ii) not fewer than one office of the Company within the District (while the Trustees hold MainPower Shares and if the Company agrees to be a place for notice); and
    - (iii) not fewer than one other reasonable place in the District, if considered necessary to provide reasonable access to the notice for those entitled to participate in the Consultative Procedure; and
  - (b) **Advertise:** to advertise, in a principal newspaper or newspapers circulating in the District, the place (which may be a website) and times at which the notice or documents or information may be inspected by the public; and

- (c) **Consecutive Advertisement:** to insert the advertisement in two (2) consecutive editions of a principal newspaper or newspapers circulating in the District.

### 3. CONSULTATIVE PROCEDURE

---

**3.1 Consultative Procedure:** In respect of any provision of the Deed that requires the Trustees to implement the Consultative Procedure, the Trustees shall:

- (a) **Place Notice:** place notice of the Proposal before a meeting of the Trustees; and
- (b) **Give Notice:** give notice of the Proposal to the public; and
- (c) **Capital Distribution Review:** if the Consultative Procedure relates to a Capital Distribution Review Proposal the notice to be given to the public under Rule 3.1(b) of these Rules shall include:
  - (i) an explanatory statement covering the reason for consultation; and
  - (ii) a reference to the availability of the summary of the Review Report (as referred to in clause 6.3 of the Deed); and
  - (iii) a description of the implications for Qualifying Customers of the Proposal (illustrated by reference to an indicative date selected by the Trustees), or a reference to the place or places (which may be a website) where Qualifying Customers can have access to such a description; and
  - (iv) if relevant, a summary of any procedures to be put in place by the Company for shareholders to sell or otherwise transfer any Shares in the Company that are proposed to be distributed; and
  - (v) if relevant, the terms and conditions of the Capital Allocation Criteria for the proposed distribution of capital; and
  - (vi) details of the proposed communication with Qualifying Customers on the Capital Distribution Review Proposal including details about Rules 3.1(e) to 3.1(j) of these Rules; and
  - (vii) information on the way in which Qualifying Customers can, under clause 6.7 of the Deed, require a Poll and on the timing and procedure of the Poll; and
- (d) **Shareholding Proposal:** if the Consultative Procedure relates to a Shareholding Proposal, the notice to be given to the public under Rule 3.1(b) of these Rules shall include:
  - (i) a statement of the Major Proposal or the Minor Proposal and a statement from the Directors (if provided) setting out their view of the Proposal; and
  - (ii) in the case of a Major Proposal, a statement to the effect that it will result in the voting power of the Trustees as shareholders of the Company or the Resulting Company changing by more than

25% of the total voting power of all shareholders of the Company or the Resulting Company (as the case may be); and

(iii) in the case of a Minor Proposal, a description of the effect that it will have on the voting power of the Trustees as shareholders of the Company or the Resulting Company (as the case may be); and

- (e) **Specify Period:** in every notice given under Rule 3.1(b) of these Rules, specify a period (which must not be less than one month nor more than three (3) months) within which persons interested in the Proposal may make submissions on the Proposal to the Trustees; and
- (f) **Reasonable Opportunity:** ensure that any person who makes written submissions on the Proposal within the period specified in the notice given under Rule 3.1(b) of these Rules is given a reasonable opportunity to be heard by the Trustees; and
- (g) **Proper Consideration:** ensure that the Trustees give proper consideration to each submission and that every meeting at which submissions are heard or at which the Trustees deliberate on the Proposal is open to the public; and
- (h) **Available to Public:** make all written submissions on the Proposal available to the public; and
- (i) **Final Decision:** make the final decision of the Trustees in relation to the Proposal at a meeting of the Trustees that is open to the public; and
- (j) **Notice to Public:** give notice to the public of the final decision of the Trustees.

## MAINPOWER TRUST

### SCHEDULE 5

#### RULES GOVERNING ALLOCATION CRITERIA FOR DISTRIBUTIONS OF CAPITAL FROM TRUST FUND ("CAPITAL ALLOCATION CRITERIA")

##### 1. INTERPRETATION

---

- 1.1 Defined Terms:** Terms in these Rules have the same meaning as in the Deed, unless otherwise provided or the context otherwise requires.
- 1.2 Interpretation:** These Rules will be construed subject to the provisions of the Deed, and in the case of conflict between the provision of these Rules and those of the Deed the provisions of the Deed prevail.
- 1.3 Application to Distributions:** These Rules apply to distributions from the capital of the Trust Fund to Qualifying Customers under clause 7.2(b) of the Deed.
- 1.4 Roll Date:** The Roll Date applicable to these Rules is the Capital Distribution Roll Date and all references in these Rules to the Roll Date shall be construed accordingly.
- 1.5 Definition:** In these Rules:
- (a)** "Approved Capital Distribution" means a distribution to be made under clause 7.2(b)(iii); and
  - (b)** "Approved Capital Distribution Amount" means the amount of the Trust Fund that is to be distributed pursuant to an Approved Capital Distribution.

##### 2. CAPITAL ALLOCATION CRITERIA

---

- 2.1 Allocate Approved Capital Distribution:** Whenever there is an Approved Capital Distribution, the Trustees will allocate the Approved Capital Distribution Amount in accordance with and subject to the criteria set out in these Rules.
- 2.2 Metered Electricity Connection:** Subject to Rules 2.3, 2.4 and 2.12, each Qualifying Customer is entitled to be allocated a portion of the Approved Capital Distribution Amount for each Metered Electricity Connection that the Roll attributes to that Qualifying Customer as at the Roll Date, provided that a Qualifying Customer is not entitled to an allocation of more than 0.1% (one-tenth of 1%) of the Approved Capital Distribution Amount for each such Metered Electricity Connection.
- 2.3 Joint Qualifying Customers:** Each group of joint Qualifying Customers will be treated as one (1) Qualifying Customer for the purpose of determining the allocation of the Approved Capital Distribution Amount among the Qualifying Customers, provided that the distribution of the joint group's allocated portion will be made in the names of all of the joint Qualifying Customers who comprise that group.
- 2.4 Classification:** In making allocations under these Rules, the Trustees will adopt the Company's classifications of Qualifying Customers.

- 2.5 Allocate to Residential Customers:** Not less than 85% of each Approved Capital Distribution Amount will be allocated among Qualifying Customers whom the Company has classified as *residential customers*.
- 2.6 Allocate to Others:** The remainder of each Approved Capital Distribution Amount will be allocated among Qualifying Customers whom the Company has not classified as *residential customers*.
- 2.7 Smaller Allocation:** Notwithstanding Rules 2.8 to 2.12, in circumstances in which the Company's fixed line charge to a Qualifying Customer is less than the Company's standard fixed line charge for the category into which the Qualifying Customer has been classified, the Qualifying Customer will be entitled to a smaller allocation on a proportionate basis.
- 2.8 Equal Allocation:** The portion of the Approved Capital Distribution Amount to be allocated among Qualifying Customers who are classified by the Company as *residential customers* will be allocated equally.
- 2.9 Allocate to Irrigation Customers:** The portion of the Approved Capital Distribution Amount to be allocated among Qualifying Customers who are classified by the Company as *irrigation customers* will be decided by the Trustees on the basis of appropriate bands of motor capacity connected and charged in accordance with the Company's records.
- 2.10 Allocate to Street Lighting or Unmetered Supply Customers:** The portion of the Approved Capital Distribution Amount to be allocated among Qualifying Customers who are classified by the Company as *street lighting* or *unmetered supply customers* will be decided by the Trustees on the basis of appropriate bands of electricity consumed per annum according to the Company's records.
- 2.11 Allocate to Industrial and Other Non-Residential Customers:** The portion of the Approved Capital Distribution Amount to be allocated among Qualifying Customers who are classified by the Company as *industrial customers* and as *other non-residential customers* will be decided by the Trustees on the basis of appropriate bands of electricity consumed according to the Company's records during the period of twelve (12) months ending on the Roll Date irrespective of whether the Qualifying Customer is a Qualifying Customer for all of that period.
- 2.12 Allocation of Shares:** In the case of all allocations under these Rules in which the Approved Capital Distribution Amount is or includes Shares, the Shares (and any other assets included in the Approved Capital Distribution Amount) will be allocated by the Trustees in a manner and with any appropriate adjustments that they in their absolute discretion consider proportionate and equitable.
- 2.13 Reasonable Proportions:** Notwithstanding anything in these Rules, the Trustees will not allocate Shares or any other assets that are the subject-matter of an Approved Capital Distribution in parcels or proportions that in the opinion of the Trustees are too small to be practicable or reasonable, and the Trustees may accordingly adjust any allocations as they think fit.

## MAINPOWER TRUST

### SCHEDULE 6

#### RULES GOVERNING ALLOCATION CRITERIA FOR PAYMENTS OR APPLICATIONS OF INCOME FROM TRUST FUND ("INCOME ALLOCATION CRITERIA")

##### 1. INTERPRETATION

---

- 1.1 Defined Terms:** Terms in these Rules have the same meaning as in the Deed, unless otherwise provided or the context otherwise requires.
- 1.2 Interpretation:** These Rules will be construed subject to the provisions of the Deed, and in the case of conflict between the provision of these Rules and those of the Deed the provisions of the Deed prevail.
- 1.3 Application to Payments:** These Rules apply to payments or applications of income from the Trust Fund to Qualifying Customers under clause 4.7(b) of the Deed.
- 1.4 Roll Date:** The Roll Date applicable to these Rules is the Income Distribution Roll Date and all references in these Rules to the Roll Date shall be construed accordingly.
- 1.5 Definitions:** In these Rules:
- (a) "Approved Income Distribution"** means a payment or application of income to be made under clause 4.7(b) of the Deed;
  - (b) "Approved Income Distribution Amount"** means the amount of the income of the Trust Fund that is to be paid or applied pursuant to an Approved Income Distribution.

##### 2. INCOME ALLOCATION CRITERIA

---

- 2.1 Allocation Criteria:** Whenever there is an Approved Income Distribution, the Trustees will allocate the Approved Income Distribution Amount in accordance with and subject to the criteria set out in these Rules.
- 2.2 Entitled to Income:** Subject to Rules 2.3 and 2.4, each Qualifying Customer is entitled to be allocated a portion of the Approved Income Distribution Amount for each Metered Electricity Connection that the Roll attributes to that Qualifying Customer as at the Roll Date, provided that a Qualifying Customer is not entitled to an allocation of more than 0.1% (one-tenth of 1%) of the Approved Income Distribution Amount for each such Metered Electricity Connection.
- 2.3 Joint Qualifying Customers:** Each group of joint Qualifying Customers will be treated as one (1) Qualifying Customer for the purpose of determining the allocation of the Approved Income Distribution Amount among the Qualifying Customers, provided that the distribution of the joint group's allocated portion will be made in the names of all of the joint Qualifying Customers who comprise that group.



- 2.4 Company Classification:** In making allocations under these Rules, the Trustees will adopt the Company's classifications of Qualifying Customers.
- 2.5 Allocate to Residential Customers:** Not less than 85% of each Approved Income Distribution Amount will be allocated among Qualifying Customers whom the Company has classified as *residential customers*.
- 2.6 Allocate to Others:** The remainder of each Approved Income Distribution Amount will be allocated among Qualifying Customers whom the Company has not classified as *residential customers*.
- 2.7 Smaller Allocation:** Notwithstanding Rules 2.8 to 2.11 in circumstances in which the Company's fixed line charge to a Qualifying Customer is less than the Company's standard fixed line charge for the category into which the Qualifying Customer has been classified, the Qualifying Customer will be entitled to a smaller allocation on a proportionate basis.
- 2.8 Equal Allocation:** The portion of the Approved Income Distribution Amount to be allocated among Qualifying Customers who are classified by the Company as *residential customers* will be allocated equally.
- 2.9 Allocate to Irrigation Customers:** The portion of the Approved Income Distribution Amount to be allocated among Qualifying Customers who are classified by the Company as *irrigation customers* will be decided by the Trustees on the basis of appropriate bands of motor capacity connected and charged in accordance with the Company's records.
- 2.10 Allocate to Street Lighting or Unmetered Supply Customers:** The portion of the Approved Income Distribution Amount to be allocated among Qualifying Customers who are classified by the Company as *street lighting or unmetered supply customers* will be decided by the Trustees on the basis of appropriate bands of electricity consumed per annum according to the Company's records.
- 2.11 Allocate to Industrial and Other Non-Residential Customers:** The portion of the Approved Income Distribution Amount to be allocated among Qualifying Customers who are classified by the Company as *industrial customers* and as *other non-residential customers* will be decided by the Trustees on the basis of appropriate bands of electricity consumed according to the Company's records during the period of twelve (12) months ending on the Roll Date irrespective of whether the Qualifying Customer is a Qualifying Customer for all of that period.

## MAINPOWER TRUST

### SCHEDULE 7

#### RULES GOVERNING POLL ON CAPITAL DISTRIBUTION REVIEW

##### 1. INTERPRETATION

---

- 1.1 Defined Terms:** Terms in these Rules have the same meaning as in the Deed, unless otherwise provided or the context otherwise requires.
- 1.2 Interpretation:** These Rules will be construed subject to the provisions of the Deed, and in the case of conflict between the provision of these Rules and those of the Deed the provisions of the Deed prevail.
- 1.3 Application to Polls:** These Rules apply to a Reconsideration Poll and a Share Distribution Poll.
- 1.4 Roll Date:** The Roll Date applicable to these Rules is the Capital Distribution Roll Date, and all references in these Rules to the Roll Date shall be construed accordingly.
- 1.5 Definitions:** In these Rules:
- (a) "Poll Requisition Close Date"** means the date which is fifteen (15) Working Days after the notification of the applicable Review Decision or Reconsideration Decision that includes a Share Distribution under clause 6.6 of the Trust Deed;
  - (b) "Proposition"** means:
    - (i)** for a Reconsideration Poll, that the Trustees shall reconsider the Review Decision; or
    - (ii)** for a Share Distribution Poll, that the Trustees shall overturn the Share Distribution Decision; and
  - (c) "Returning Officer"** is defined in Rule 4.1.

##### 2. REQUISITIONING THE POLL

---

- 2.1 Poll Requisition:** If, on or before the Poll Requisition Close Date, the Secretary receives valid written notice (which may be in one or more notices) in accordance with Rule 2.2 from at least 5% of the Qualifying Customers on the Roll as at the Roll Date ("**Qualifying Date**") that they require:
- (a)** a Reconsideration Poll; or
  - (b)** if the relevant Review Decision or Reconsideration Decision includes a Share Distribution Decision, a Share Distribution Poll,

then the relevant Poll (as determined under clause 6.7) will be held in accordance with these Rules. For the purpose of this Rule, each group of joint Qualifying Customers is treated as one Qualifying Customer.

- 2.2 Valid Notice:** Each notice will be valid if it is given by a person who is a Qualifying Customer on the Qualifying Date (as defined in Rule 2.1 above or in clause 6.12(b)(ii), as the case may be) and contains:
- (a) Reconsider:** for the calling of a Reconsideration Poll, a statement that each of the Qualifying Customers signing the notice requires the Trustees to reconsider the Review Decision;
  - (b) Overturn:** for the calling of a Share Distribution Poll, a statement that each of the Qualifying Customers signing the notice requires the Trustees to overturn the Share Distribution Decision;
  - (c) Review:** for a requisition under clause 6.12(b)(ii) of the Trust Deed, a statement that each of the Qualifying Customers signing the notice requires the Trustees to carry out a capital distribution review under clauses 6.1 to 6.11 of the Trust Deed;
  - (d) Names and Address:** the full name and address of each such Qualifying Customer; and
  - (e) Signature:** the signature of each such Qualifying Customer.

### **3. SUBJECT MATTER AND TIME OF POLL**

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- 3.1 Reconsideration Poll:** A Reconsideration Poll will be on whether the Qualifying Customers who are on the Roll as at the Roll Date require the Trustees to reconsider their Review Decision. A Share Distribution Poll will be on whether the Qualifying Customers who are on the Roll as at the Roll Date require the Trustees to overturn the Share Distribution Decision.
- 3.2 Timing of Poll:** The Poll will be held not fewer than two (2) months nor more than three (3) months after the Poll Requisition Close Date.
- 3.3 Closure of Poll:** Subject to Rule 3.2 the Returning Officer will, after consulting the Trustees, set a day and time at which the Poll will close.

### **4. RETURNING OFFICER**

---

- 4.1 Appoint Returning Officer:** For each Poll required under Rule 2.1, there will be a returning officer (the "**Returning Officer**") who will be appointed by the Trustees within ten (10) Working Days after the Poll Requisition Close Date. If reasonably required due to a delay in appointment of the Returning Officer, timeframes in this Schedule and in the Trust Deed may be adjusted by the Returning Officer as is reasonably necessary in the circumstances.
- 4.2 Ineligibility:** A Trustee or a Director or a director of any Subsidiary of the Company must not be a Returning Officer.
- 4.3 Replacement Returning Officer:** In the event of the death or incapacity or cessation of office of the Returning Officer, a replacement Returning Officer will be appointed by the Trustees.
- 4.4 Conduct of Poll:** The Returning Officer will conduct the Poll. To the extent that any procedure or matter for the Poll is not prescribed by these Rules, the Returning Officer will specify the procedure or matter and will act accordingly as long as the

procedure or matter does not conflict with anything set out in these Rules. The Returning Officer may use the services of such persons and companies as the Returning Officer deems appropriate, and the Trustees may make reasonable payment for their services from the Trust Fund. In the event of doubt or dispute as to any matter affecting the Poll, the Returning Officer will resolve the doubt or dispute, and the decision of the Returning Officer will be final and conclusive.

**4.5 Remuneration:** The Returning Officer is entitled to receive such reasonable remuneration and payment of expenses as the Trustees determine after consultation with the Returning Officer.

**4.6 Perform Duties:** The Returning Officer and every person assisting the Returning Officer will faithfully and impartially perform his or her duties, and will not directly or indirectly:

- (a) before declaring the results of the Poll, make known the state of the voting, or give or pretend to give any information by which the state of the voting might be known;
- (b) make known the way in which any Qualifying Customer has voted at the Poll;
- (c) give any person any information likely to defeat the secrecy of the voting at the Poll.

## **5. NOTICE OF POLL**

---

**5.1 Notice:** At least one (1) month before the Poll, the Returning Officer will insert an appropriate notice in one or more principal newspapers circulating within the District giving the following information, or the website at which the following information can be seen:

- (a) a general indication of the nature of the Poll; and
- (b) the day and time the Poll will close.

## **6. VOTING**

---

**6.1 Eligibility:** Eligibility to vote is as follows:

- (a) subject to Rule 6.1(b), each Qualifying Customer on the Roll as at the Roll Date is entitled to one (1) vote for each entry of that Qualifying Customer's name on the Roll;
- (b) each group of joint Qualifying Customers is entitled to only one (1) vote between them, and anyone in that joint group may exercise the vote of that joint group;
- (c) a Qualifying Customer that is a company or is another incorporated or unincorporated body (other than a joint Qualifying Customer) or is a local authority is entitled to exercise each of its votes through a representative (who may also be a Qualifying Customer entitled to exercise a personal vote).

**6.2 Voting Process:** Not fewer than ten (10) Working Days before the Poll closes, the Returning Officer will send:

- (a) by email or electronic means; or
- (b) if there is no recorded email address, by ordinary post to the relevant address shown on the Roll,

to every Qualifying Customer on the Roll as at the Roll Date:

- (c) a brief explanation of the Poll; and
- (d) an electronic or printed voting paper or access to a website or other electronic address that allows the Qualifying Customer to vote for or against the Proposition; and
- (e) appropriate instructions on voting; and
- (f) notification (which may be on the voting paper) of the day and time that the Poll will close ("**Poll Close Date**"); and
- (g) if forwarded by post, a postage paid return addressed envelope.

**6.3 Validity of Poll:** If any Qualifying Customer does not receive a voting paper in accordance with Rule 6.2, the Poll will still be valid.

**6.4 Invalid Vote:** A vote is invalid and will not be counted if:

- (a) the voting paper is received by the Returning Officer after the Poll closes; or
- (b) the Qualifying Customer votes more than once unless authorised to do so by Rule 6.1; or
- (c) on the same voting paper the Qualifying Customer votes both for and against the Proposition; or
- (d) in the opinion of the Returning Officer, the voting paper does not indicate how the Qualifying Customer intended to vote; or
- (e) the Returning Officer believes, on reasonable grounds, that the vote was not made on a voting paper that was sent to the Qualifying Customer by the Returning Officer.

## **7. RESULT OF POLL INCLUDING COUNTING OF VOTES**

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**7.1 Count:** The Returning Officer (along with such other persons as the Returning Officer appoints) will, as soon as practicable after the Poll Close Date but in any event not later than five (5) Working Days after the Poll Close Date, count the valid votes cast for and against the Proposition.

**7.2 Re-Count:** Before declaring the result of the Poll, the Returning Officer may re-count the valid votes as many times as he or she thinks appropriate. The Returning Officer must then determine whether the result of the Poll is a Poll Failure or a Poll Success.

**7.3 Publish Results:** After ascertaining the result of the Poll (which must be within six (6) Working Days after the Poll Close Date), the Returning Officer will declare the result of the Poll. He or she will then publish the result (including the total number

of valid votes for each option under the Poll), or reference to the website on which the results are published, in one (1) or more principal newspapers circulating in the District.

- 7.4 Destroy Voting Papers:** After the result of the Poll has been published, the Returning Officer will decide when to destroy the voting papers but must not destroy the papers within three (3) months after the Poll Close Date.

**8. MISCELLANEOUS**

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- 8.1 Remuneration:** All remuneration, costs and expenses in connection with the Poll will be met from the portion of the Trust Fund that is not the subject-matter of the Poll.

## MAINPOWER TRUST

### SCHEDULE 8

#### RULES GOVERNING ALLOCATION, VESTING AND DISTRIBUTION OF REDEEMABLE PREFERENCE SHARES

##### 1. INTERPRETATION

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- 1.1 Defined Terms:** Terms in these Rules have the same meaning as in the Deed, unless otherwise provided or the context otherwise requires.
- 1.2 Interpretation:** These Rules will be construed subject to the provisions of the Deed, and in the case of conflict between the provision of these Rules and those of the Deed the provisions of the Deed prevail.
- 1.3 Application to Redeemable Preference Shares:** These Rules apply to the allocation, vesting and distribution of Redeemable Preference Shares to Qualifying Customers under clause 4.11 of the Deed.
- 1.4 Definition:** In these Rules:
- (a) "Qualifying Customer"** means a person named in the records of the Company:
    - (i)** who is liable (whether alone or jointly with any other person and whether pursuant to a contract with the Company or indirectly pursuant to a contract with a third party or otherwise) to the Company for the payment of an amount in respect of the use of and connection to the Company's electricity distribution network; and
    - (ii)** whose premises in respect of the use of and connection to the Company's electricity distribution network are located in the area over which the North Canterbury Electric Power Board (as constituted by section 10 of the Electric Power Boards Act 1925) was authorised at 1 May 1993 to supply electricity pursuant to the licence granted to that Board under section 20 of the Electricity Act 1968, but excludes a person who the Company has classified as a temporary supply customer;

##### 2. ALLOCATION, VESTING AND DISTRIBUTION

---

- 2.1 Distribution:** Whenever the Company notifies the Trustees in writing that a person is a Qualifying Customer, the Trustees will, but subject to Rule 2.3, vest in and distribute to the Qualifying Customer one (1) Redeemable Preference Share.
- 2.2 Eligibility:** For the avoidance of doubt, it is declared that Rule 2.1 is not affected by the fact that a person who satisfies the definition of Qualifying Customer might already be or have previously been a Qualifying Customer who has previously received a distribution of one or more Redeemable Preference Shares.
- 2.3 Joint Qualifying Customers:** Each group of joint Qualifying Customers will be treated as one (1) Qualifying Customer for the purpose of determining the allocation

of the Redeemable Preference Shares among the Qualifying Customers, provided that the distribution of the joint group's allocated Redeemable Preference Share will be made in the names of all the joint Qualifying Customers who comprise that group.

- 2.4 Returning Shares:** If any Qualifying Customer who receives a Redeemable Preference Share under these Rules does not want to retain it, the Qualifying Customer may return it to the Trustees in which event the Trustees will hold it as part of the capital of the Trust Fund until and unless they vest and distribute it in and to another Qualifying Customer in accordance with these Rules.
- 2.5 Inform Company:** Whenever the Trustees distribute Redeemable Preference Shares under Rule 2.1 or Rule 2.3 or both, they will inform the Company in writing of the name and address of the Qualifying Customer to whom each Redeemable Preference Share has been distributed and of the date of the distribution.
- 2.6 Inform Company:** Whenever the Trustees have a Redeemable Preference Share returned to them under Rule 2.4, they will inform the Company of the name and address of the Qualifying Customer who has returned the share and of the date of the return of the share.
- 2.7 Delegate:** The Trustees may, subject to clause 3.3 of Schedule 10, delegate to any person (including the Company) all or any of their duties and powers under Rules 2.1 to 2.6 of this Schedule and may reasonably remunerate that person.



## MAINPOWER TRUST SCHEDULE 9

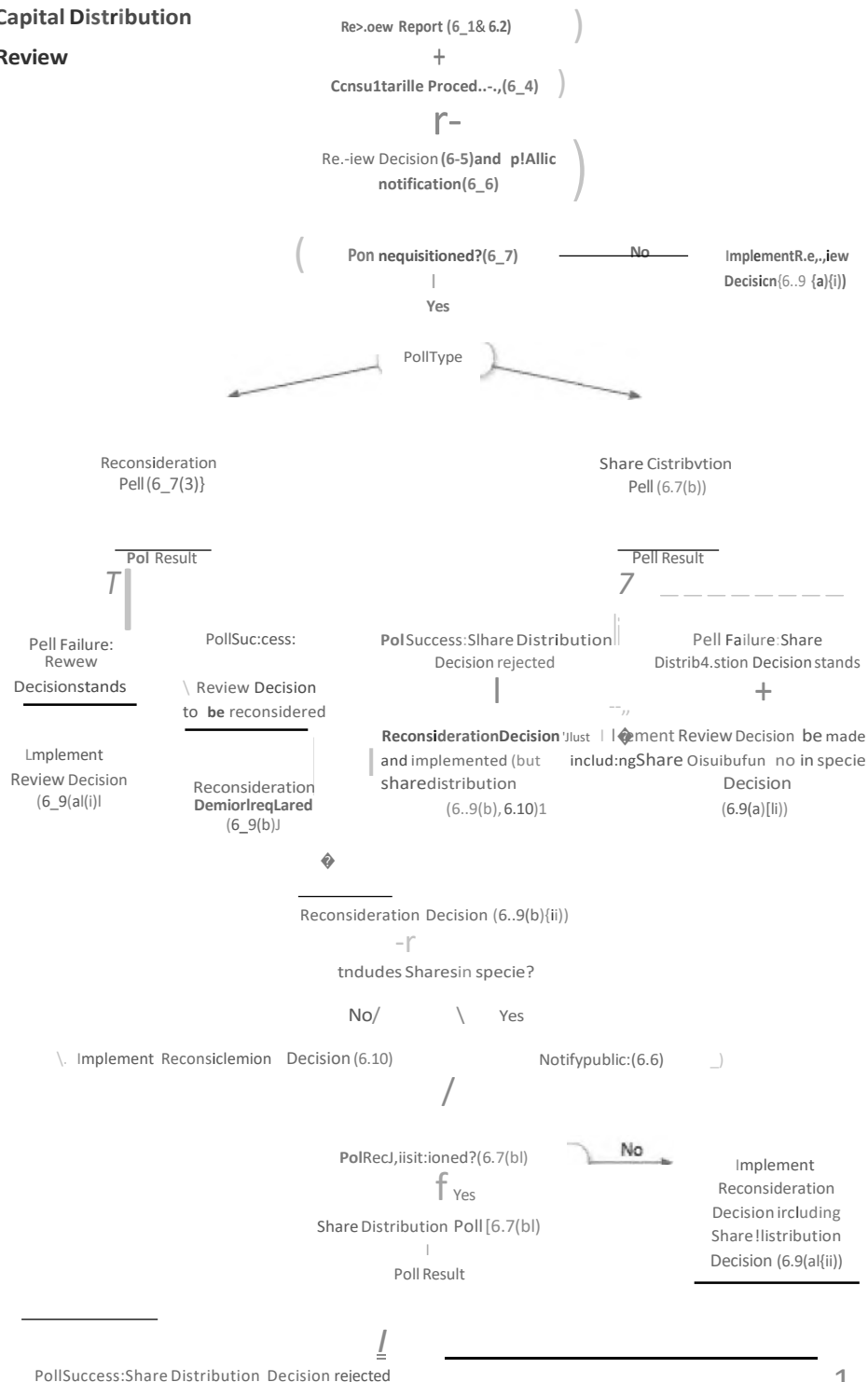
### FLOWCHART ILLUSTRATING CLAUSE 6 PROCESSES

#### 1. INTERPRETATION

- 1.1 Defined Terms:** Terms in the flowchart have the same meaning as in the Deed, unless otherwise provided or the context otherwise requires.
- 1.2 Interpretation:** The flowchart will be construed subject to the provisions of the Deed, and in the case of conflict between a provision of the flowchart and those of the Deed, the provisions of the Deed prevail.

#### Capital Distribution

#### Review



Reconsideration Decision must be made and  
implemented (but not in specie share distribution  
(6.9(b), 6.10)1

( Poll Failure:Share Distribution Decision stays

Implement Reconsideration Decision **induc,ng**  
Share Distribution Decision [6.9(a)(ii)]

## MAINPOWER TRUST

### SCHEDULE10 TRUSTEE

#### DUTIES AND POWERS

#### 1. TRUSTEE DUTIES

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- 1.1 Guiding Principle:** In performing the duties set out in clause 1.2 of this Schedule and contained in sections 29 to 38 (as modified by the Deed} of the Trusts Act 2019, the Trustees must have regard to the context and objectives of the Trust, in particular as set out in the Recitals of the Deed. In complying with this duty, the Trustees can also refer to the strategic plan for the Trust (as reviewed from time to time), to give context to their role.
- 1.2 Mandatory Duties:** The following duties are mandatory duties that must be performed by each Trustee, as set out in section 23 to 27 of the Trusts Act 2019:
- (a) a Trustee must know the terms of the Trust;
  - (b) a Trustee must act in accordance with the terms of the Trust;
  - (c) a Trustee must act honestly and in good faith;
  - (d) a Trustee must hold or deal with Trust property and otherwise act for the benefit of the Beneficiaries and to further the purpose of the Trust, in accordance with the terms of the Trust; and
  - (e) a Trustee must exercise the Trustee's powers for a proper purpose.
- 1.3 Duty of Care:** Despite section 29 of the Trusts Act 2019, when administering the Trust (other than when exercising a discretion to distribute Trust property), a Trustee must exercise the care and skill that is reasonable in the circumstances and that a prudent person of business would exercise in managing the affairs of others.
- 1.4 Prudent Person of Business:** Despite section 30 of the Trusts Act 2019 and in accordance with clause 3.2(b) of this Schedule, when exercising any power to invest trust property, a Trustee must exercise the care and skill that a prudent person of business would exercise in managing the affairs of others
- 1.5 Interested Trustees:** In accordance with section 31 of the Trusts Act 2019 and subject to clause 15 of the Deed, a Trustee cannot exercise their powers for their own benefit.
- 1.6 Consider Exercise of Power:** In accordance with section 32 of the Trusts Act 2019, a Trustee must actively and regularly consider whether the Trustee should be exercising one or more of the Trustee's powers.
- 1.7 No Future Exercise of Discretion:** In accordance with section 33 of the Trusts Act 2019, a Trustee must not bind or commit Trustees to a future exercise or non-exercise of a discretion.
- 1.8 Avoid Conflict:** In accordance with section 34 of the Trusts Act 2019, a Trustee should avoid a conflict between their individual interests and the interests of the Beneficiaries.

- 1.9 Impartiality:** In accordance with section 35 of the Trusts Act 2019, a Trustee must act impartially in relation to the Trust's Beneficiaries.
- 1.10 Unanimously:** Despite section 38 of the Trusts Act 2019, there is no requirement for the Trustees to act unanimously.
- 1.11 Not to Profit or Act for Reward:** In accordance with sections 36 and 37 of the Trusts Act 2019, a Trustee must not profit from the trusteeship or take any reward for acting as a Trustee. This does not impact a Trustee's ability to be remunerated for their role, reimbursed for expenses or otherwise paid for their services. Schedule 2 of the Deed sets out the rules for Trustee remuneration and expenses.
- 1.12 Trustee Record Keeping:** If there is more than one Trustee, each Trustee must:
- (a) hold (or hold copies of) the Deed, any other document that contains terms of this Trust, and any variations made to the Deed or Trust; and
  - (b) be satisfied that at least one Trustee holds the following documents and that those documents or copies of them will be made available to the other Trustees on request-
    - (i) Records of the Trust property that identify the assets, liabilities, income, and expenses of the Trust and that are appropriate to the value and complexity of the Trust property;
    - (ii) Any records of Trustee decisions made during the Trustee's trusteeship;
    - (iii) Any written contracts entered into during that Trustee's trusteeship;
    - (iv) Any accounting records and financial statements prepared during that Trustee's trusteeship;
    - (v) Documents of appointment, removal, and discharge of Trustees (including any court orders appointing or removing Trustees);
    - (vi) Any letter or memorandum of wishes from the Settlers;
    - (vii) Any other documents necessary for the administration of the Trust; and
    - (viii) Any of the documents referred to in this clause 1.12 that were kept by a former Trustee during that person's trusteeship and passed on to the current Trustee.
- 1.13 Secretary May Hold Documents:** Despite clause 1.12 of this Schedule and section 46 of the Trusts Act 2019, the Trustees may appoint the Secretary (or such other person as the Trustees determine from time to time) to hold all of the documents required in clause 1.12 of this Schedule on behalf of the Trustees.

## **2. EXTENT OF TRUSTEE POWERS**

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- 2.1 General Powers:** Except where otherwise specified in the Deed, a Trustee has the following general powers:
- (a) all the powers necessary to manage the Trust property including, in relation to the Trust property, all the powers of an absolute owner of the property; and
  - (b) all the powers necessary to carry out the Trust, including powers incidental to those in subclause (a) above.

### 3. SPECIFIC TRUSTEE POWERS

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#### 3.1 **Specific Powers:** The Trustees shall have and may exercise the following specific powers, authorities and discretions:

- (a) **Discretion:** subject to the other provisions of the Deed, to exercise as the Trustees in their absolute discretion think fit all the powers they have as owners of the assets that comprise the Trust Fund;
- (b) **Bank accounts:** to open, operate and close bank accounts for or on behalf of the Trustees and to give any person authority to operate such accounts (regardless of whether that person is a Trustee) and to revoke any such authority;
- (c) **Borrowing:** to borrow money for the purpose of investing it or for the purpose of exercising any of the powers of the Trustees under the Deed at such rate of interest and upon such other terms and conditions as the Trustees think fit and to give security for repayment over all or any part of the Trust Fund regardless of whether the part over which the security is given benefits by the borrowing. No person lending money to the Trustees shall be bound to enquire about the purpose of the loan or see to the application of it;
- (d) **Guarantees:** to give credit to and guarantee the payments of money and the performance of covenants, obligations and engagements of or become surety for or financially assist any company, trust or person and generally to give all kinds of indemnities, and to authorise any company in which they hold shares to enter into guarantees or any other arrangement whatever which they consider is in the best interests of the Trust Fund or any Beneficiary, and in support of any such guarantee to give security over all or any of the Trust Fund;
- (e) **Joint ventures:** to join with any other person in exercising the powers of the Trustees including investment in contributory mortgages and acquisition and retention of undivided interests less than the whole in any property and holding such property as tenant in common either with any other person or permitting such property to be held in the name of a nominee;
- (f) **Formation of company:** to promote, form or incorporate any company or join in doing so for the purpose of acquiring any property which or an interest in which forms part of the Trust Fund or acquiring the property of any company in which the Trustees hold shares, notes, stock, debentures, options or other interests, and to sell or concur in selling any property in exchange for shares, notes, stock, debentures, options or other interests in any company upon such terms and conditions as the Trustees think fit;
- (g) **Companies in which Trustees hold shares, etc:** in respect of any company in which the Trustees hold shares, notes, stock, debentures, options or other interests:
  - (i) to act as director or directors of the company and to receive and retain any directors' fees or other remuneration without being liable to account;
  - (ii) to provide out of the Trust Fund further capital for the company either by way of advances, loans, deposits or otherwise (with or

without security) or by taking further shares, notes, stock or debentures in the company and in any case upon such terms as the Trustees think fit; and

- (iii) subject always to clauses 5 of the Deed and clauses 2.1, 3.2(c) and 3.2(d) of this Schedule, to concur on such terms as the Trustees think fit in any reconstruction or amalgamation of the company or in any modification of the rights of the shareholders or others interested in the company and generally to act in respect of the company in such manner as the Trustees in their absolute discretion deem to be in the interests of the Trust Fund;
- (h) **Capital Dividends:** subject to any rule of law or equity, in the case of any company in which the Trust Fund may be interested declaring any dividend which in the opinion of the Trustees has been paid out of profits other than trading profits of the Financial Year in respect of which dividend has been declared, to determine how much of that dividend ought to be treated as capital and how much as income of the Trust Fund, the determination to be made at the absolute discretion of the Trustees after considering the nature of the profit used to pay the dividend and the account to which the dividend has been debited in the books or the company without the Trustees being liable to any person for the payment of any moneys in accordance with the determination;
- (i) **Determination of Capital or Income:** subject to any rule of law or equity, to determine whether any money or other property (including but not limited to money or property comprising any bonus shares issued to the Trustees or any distribution to the Trustees from the share premium account of a company) is for the purposes of the Trust to be considered as income or capital and what expenses ought to be paid out of income and capital respectively and also to apportion blended funds. Every determination or apportionment shall be final and binding on all persons beneficially interested in the Trust Fund;
- (j) **Recoupment of Losses:** to recoup any losses incurred in carrying out the functions, duties and powers of the Trustees permitted by the Deed out of the capital or out of the income (whether past or future) of the Trust Fund or out of both the capital and the income in such proportions and in such manner as the Trustees think fit;
- (k) **Determining Questions:** to determine all questions and matters of doubt which may arise in the course of the trusteeship of the Trust;
- (l) **Advice of counsel:** to take and act upon the opinion of any barrister or solicitor of the High Court of New Zealand of not fewer than seven (7) years' standing whether in relation to the interpretation of the Deed or any other document or any statute, as to the administration of the trust declared and authorised by the Deed or by any other document without being liable to any person who may claim to be in any way beneficially interested in respect of any act done in accordance with such opinion, but nothing in this clause shall prohibit the Trustees from applying to the court if they think fit;
- (m) **Insurance:** to insure all or any of:
  - (i) the Trustees (whether current, former or future); and

(ii) the employees and officers (whether current, former or future) of the Trustees while acting in connection with the Trust; and

(iii) the legal personal representatives of any person specified in clauses (i) and (ii) of this clause who is deceased or unable to manage his or her affairs by reason of incompetence, insolvency or bankruptcy; and

(iv) the Trust,

against all or any:

(v) risk or liability against which it would be prudent to insure if any of the Trustees were acting for himself or herself; and

(vi) attempted, actual or alleged act or omission, neglect, mis-statement, misleading statement or breach of trust, including any error, that may result in the Trust or any person referred to in clauses 3.1(m)(i) to 3.1(m)(iii) of this Schedule incurring any civil liability of whatever nature; and

(vii) loss (including mislaying), damage or destruction of deeds, documents or records of the Trust or the Trustees by any person referred to in clauses 3.1(m)(i) to 3.1(m)(iii) of this Schedule; and

(viii) any attempted, actual or alleged dishonest or fraudulent act or omission by any of the persons referred to in clauses 3.1(m)(i) to 3.1(m)(iii) of this Schedule,

in connection with the affairs of or the Trust or through the Trustee or the employee or officer serving or acting in connection with the Trust, and to pay any premium for the insurance as an expense of the operation of the Trust if the Trustees are satisfied that they ought to do so to protect the Trust Fund;

(n) **Entitlements Trust:** to make such decisions in respect of the Entitlements Trust and to give such directions to the trustees of the Entitlements Trust (including decisions and directions on the investment of the trust fund of the Entitlements Trust) as are appropriate to the Entitlements Trust and are permitted or contemplated by the deed governing the Entitlements Trust; and

(o) **General powers:** subject to the provisions of the Deed, to do all acts and things which the Trustees think proper or advantageous for accomplishing the purposes and objects of the Trust.

### 3.2 Powers of Investment:

(a) **Powers of Investment:** Subject to clauses 3.2(c) and 3.2(d) of this Schedule, the Trustees have the power of investment conferred by section 58 Trusts Act 2019.

(b) **Prudent Person of Business:** Notwithstanding section 30 of the Trusts Act 2019 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, the care, diligence and skill to be exercised by the Trustees in carrying out any power of

investment will not be the care, diligence and skill required of such persons by section 30 of the Trusts Act 2019 but, subject always to clauses 3.2(c) to 3.2(f) of this Schedule and clauses 16.3 and 16.4 of the Deed, will at all times be the care, diligence and skill that a prudent person of business would exercise in managing the affairs of others.

- (c) **Restriction on Dealing with Capital:** The power of the Trustees to sell, transfer or otherwise dispose of the capital of the Trust Fund is subject to the conditions and restrictions in clause 5 of the Deed.
- (d) **Restriction on Dealing with MainPower Shares:** If the Trust Fund consists of or includes MainPower Shares, the Trustees shall not dispose of all or any of the MainPower Shares without first carrying out the Consultative Procedure in relation to the disposal of the MainPower Shares, provided that the foregoing provisions of this clause shall not apply if any other provision of the Deed requires the Consultative Procedure to be carried out in relation to the disposal of the MainPower Shares, and does not apply to a distribution of Shares in the Company to any Beneficiaries or a sale of Shares in the Company in order to distribute the proceeds to any Beneficiaries, which is carried out as a result of a Review Decision or Reconsideration Decision.
- (e) **Not a Breach:** Notwithstanding anything else in the Deed, no Trustee shall be liable for any breach of trust in relation to the care, diligence and skill exercised by that Trustee in carrying out any power of investment merely because the investments of the Trust Fund are not diversified or do not or might not produce income or other return because the Company is not paying a Dividend to the Trustees.
- (f) **Trustee Liability:** Without limiting clauses 16.1 to 16.4 of the Deed, it is declared that those clauses extend to all acts and omissions of the Trustees in relation to the investment of all or any of the Trust Fund.
- (g) **Matters to Consider:** In accordance with section 59 of the Trusts Act 2019, a Trustee exercising any power to invest may have regard to the following matters, so far as they are appropriate to the circumstances of the Trust:
  - (i) The objectives of the Trust or the permitted purpose of the Trust;
  - (ii) The desirability of diversifying Trust investments;
  - (iii) The nature of existing Trust investments and other Trust property;
  - (iv) The need to maintain the real value of the capital or income of the Trust;
  - (v) the risk of capital loss or depreciation;
  - (vi) the potential for capital appreciation;
  - (vii) the likely income return;
  - (viii) the length of the term of the proposed investment;
  - (ix) the probably duration of the Trust;
  - (x) the marketability of the proposed investment during, and on the expiry of, the term of the proposed investment;
  - (xi) the aggregate value of the Trust property;
  - (xii) the effect of the proposed investment in relation to the tax liability of the Trust;
  - (xiii) the likelihood of inflation affecting the value of the proposed investment or other Trust property; and
  - (xiv) the Trustee's overall investment strategy.



- (h) **Consideration Not Limited:** The factors in clause 3.2(g) of this Schedule do not limit the matters that a Trustee may take into account.

### 3.3 Power to Appoint and Delegate

- (a) **Power to Appoint Certain Powers or Functions:** A Trustee may appoint certain functions in accordance with sections 67 to 70 of the Trusts Act 2019.
- (b) **Power to Appoint:** In accordance with section 67 of the Trusts Act 2019, a Trustee may:
  - (i) **Specified Powers or Functions:** appoint a person to exercise or perform, on behalf of the Trustee, specified powers or functions in relation to the Trust;
  - (ii) **Specified Decisions:** appoint a person to make specified decisions in relation to all or part of the Trust property; and
  - (iii) **Eligible Person:** appoint an "eligible person" (as defined in section 67(4) of the Trusts Act 2019) to hold or deal with all or part of the Trust property as nominee or custodian and vest all or part of the Trust property in that person.
- (c) **Restrictions:** However, a Trustee may not appoint a person to exercise or perform, on behalf of the Trustee, any of the following powers or functions:
  - (i) **Determination of Trust Property:** a function that is, or is related to, the determination of whether, when, or in what way any Trust property should be distributed, used, possessed, or otherwise beneficially enjoyed, including a power of appointment;
  - (ii) **Payments Made:** a power to decide whether any fees or other payment due to made out of the Trust Funds should be made out of income or capital (where the decision affects a Beneficiary's entitlement to Trust property);
  - (iii) **Payments Received:** a power to decide whether payments received by, or payable to, the Trustee should be appropriated to income or capital (where the decision affects a Beneficiary's entitlement to Trust property);
  - (iv) **Appoint of Trustee:** a power to appoint a person to be, or to remove, a Trustee of the Trust;
  - (v) **Distribution Date:** a power to set or change the distribution date of Trust property;
  - (vi) **Resettle or Vary Trust:** a power to resettle the Trust, or to amend, revoke or replace all or any terms of the Trust;
  - (vii) **Apply to Court:** a right to apply to the court; or
  - (viii) **Powers Exercisable by Trustee Only:** the Trustee's powers conferred by clause 3.3(b) of this Schedule (which are powers

exercisable only by the Trustee personally) and any other power conferred by an enactment or the terms of the Trust and exercisable only by the Trustee personally.

- (d) **Liability of Appointee:** A person appointed under clause 3.3(b) of this Schedule is liable to the Trustee for any failure to comply with those terms or directions.
- (e) **Duty to Keep Under Review:** In accordance with section 68 of the Trusts Act 2019, if a Trustee appoints a person under clause 3.3(b) of this Schedule, the Trustee must keep under review the arrangements under which the appointee acts, how those arrangements are being put into effect, and if the circumstances make it appropriate to do so, consider whether the Trustee should exercise any power to intervene (for example, a power to give directions to the appointee, or to amend, revoke or replace the appointment).
- (f) **Liability of Trustee for Appointee:** In accordance with section 69 of the Trusts Act 2019, a Trustee is not liable in a proceeding brought by or on behalf of a Beneficiary for any act or default of an appointee of the Trustee unless the Trustee failed-
  - (i) to fulfil any of the Trustee's mandatory duties (as set out in sections 22-27 of the Trusts Act 2019) or the Trustee's default duties (as set out in sections 29-38 of the Trusts Act 2019, except where modified by this Trust Deed) in appointing the person under clause 3.3(b) of this Schedule; or
  - (ii) to fulfil the Trustee's duties under clause 3.3(e) of this Schedule.
- (g) **Power to Delegate:** In accordance with sections 70-73 of the Trusts Act 2019, a Trustee may, by power of attorney, delegate all or any of the Trustee's powers and functions under the Trust to any person qualified to be a Trustee under the Deed and under section 96 of the Trusts Act 2019. The power to delegate may only be exercised in the circumstances where the delegation is necessary (or the Trustee expects that it may from time to time become necessary) because of the Trustee's-
  - (i) absence from New Zealand;
  - (ii) temporary inability to be contacted;
  - (iii) temporary physical incapability; or
  - (iv) temporary lack of capacity to perform the functions of a Trustee.
- (h) **Liability of Trustee for Delegate:** In accordance with section 72 of the Trusts Act 2019, the Trustee is not liable in a proceeding brought by or on behalf of a Beneficiary for any act or default of a delegate appointed under clause 3.3(g) of this Schedule unless the Trustee failed, in appointing the delegate, to fulfil any of the Trustee's mandatory duties or the duty of care in clause 1.3 of this Schedule 10.

## **APPENDIX A**

### **DEED OF TRUST ESTABLISHING THE MAINPOWER FOUNDATION**

# DEED OF CHARITABLE TRUST

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THE MAINPOWER FOUNDATION



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## DEED OF TRUST DATED

## EXECUTED BY

[Names of MainPower Trustees] as **Settlors**

[Names of MainPower Trustees] as **Initial Trustees**

## BACKGROUND

- A. A trust known as the MainPower Trust ( **M ainPower T rust**) was established by deed dated 26 April 1993 and is currently governed by a consolidated trust deed dated [d ate], with the Settlers as its current trustees.
- B. The trust deed of the MainPower Trust provides that in the circumstances set out in that trust deed, a charitable trust to be known as the MainPower Foundation shall be established.
- C. The Settlers, acting under clause 1.4 of the trust deed of the MainPower Trust, wish to establish the MainPower Foundation on the trusts of this deed and will settle the sum of \$10.00 on the Trustees as the initial Trust Fund, in order that the MainPower Foundation is brought into existence so as to be able to fulfil its function in the case of becoming entitled to receive a distribution from the MainPower Trust.
- D. The Trustees have agreed to act as trustees of the MainPower Foundation.
- E. It is intended that:
  - (i) **Board Governance:** the MainPower Foundation will be governed by its Board;
  - (ii) **Registration as Charitable Trust:** as soon as practicable after the MainPower Foundation is established, the Board will be incorporated under the Charitable Trusts Act 1957;
  - (iii) **Transition Plan:** as soon as practicable after the Board receives notice from the MainPower Trust that a Trigger Event will occur, the Board will enter into a transition period until the Trigger Event, during which time the Board will:
    - a. register the MainPower Foundation as a charitable entity under the Charities Act 2005;
    - b. consider and action the matters set out in the Transition Plan in Schedule 3 and any other matter that may be required in order to ensure that the MainPower Foundation's governance and management is fit-for-purpose prior to the Trigger Event; and
    - c. appoint replacement Trustees in accordance with clause 9.3 and the processes set out in Schedule 1 and Schedule 2, with effect from the date of the Trigger Event.

## TRUST TERMS

### 1. INTERPRETATION PROVISIONS

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- 1 **General:** Clauses 1.2 to 1.9 shall apply to this deed unless the context requires otherwise.

#### 1.2 Definitions:

- (a) **"AGM"** means an annual general meeting of the Board held in accordance with clause 11.1(a);
- (b) **"Annual Report"** means a report regarding the activities of the MainPower Foundation for a Financial Year and, as the context requires, the most recent annual report, as referred to in clause 12.3;
- (c) **"Appointed Trustee"** means a Trustee appointed under clause 9.3(b) or 9.4(b);
- (d) **"Balance Date"** means 31 March or any other date adopted from time to time by the Board as the end of the MainPower Foundation's Financial Year;
- (e) **"Board"** means the Trustees, collectively, acting as a board, whether or not the Trustees are incorporated as a board under the Charitable Trusts Act 1957 and, if the context requires, the Trustees constituting the Board for the time being;
- (f) **"Chair"** means the Trustee appointed to that office for the time being by the Board in accordance with clause 9.11(a);
- (g) **"Charitable Purpose"** includes every purpose which is charitable in accordance with the law of New Zealand, whether it relates to the relief of poverty, the advancement of education or religion, or any other matter beneficial to the community (including purposes which relate to some aspect of the beneficial use, application or enjoyment of energy in the MainPower District), and falls within the "charitable purpose" definition in section 5 of the Charities Act 2005;
- (h) **"Company"** means MainPower New Zealand Limited, and includes any body corporate that succeeds to or in which is vested the whole or substantially the whole of the property, undertaking and assets owned by MainPower New Zealand Limited and carries on as successor to MainPower New Zealand Limited the whole or substantially the whole of the business formerly carried on by MainPower New Zealand Limited whether in either such case by merger, acquisition or otherwise;
- (i) **"Deputy Chair"** means the Trustee appointed to that office for the time being by the Board in accordance with clause 9.11(a);
- (j) **"Elected Trustee"** means a Trustee appointed under clause 9.3(a) or 9.4(a);



- (k) **"Financial Statements"** means the financial statements of the MainPower Foundation for a Financial Year prepared in accordance with clause 12.2(a);
- (l) **"Financial Year"** means any 12 month or other accounting period ending on the Balance Date;
- (m) **"Initial Trustee"** means any person executing this deed as one of the initial Trustees of the MainPower Foundation (or any successor Trustee appointed prior to a Trigger Event);
- (n) **"Interested"** has the meaning given to that term in clause 10.5;
- (o) **"MainPower District"** means the "District" as defined from time to time under the trust deed of the MainPower Trust, provided that when the MainPower Trust is terminated, "District" will be as defined in the trust deed of the MainPower Trust immediately prior to the MainPower Trust's termination, provided that, and for the avoidance of doubt, and irrespective of whether the MainPower Trust has been terminated, the MainPower District also includes the area connected to the electricity distribution network previously owned by Kaiapoi Electricity Limited, which was acquired by the Company on 1 July 2004;
- (p) **"MainPower Foundation"** means the trust established in relation to the Trust Fund on the terms set out in this deed;
- (q) **"MainPower New Zealand Limited"** means the company originally of that name formed under the Energy Companies Act 1992, incorporated in New Zealand, and having company number 568270;
- (r) **"MainPower Shares"** means ordinary shares in the capital of the Company;
- (s) **"MainPower Trust"** is defined in background recital A;
- (t) **"Major Transaction"** has the meaning given to that term in clause 8.2;
- (u) **"Officer"** means a person for the time being holding an office to which that person has been appointed in accordance with clause 9.11(b);
- (v) **"person"** includes an individual, partnership, firm, company, body corporate, corporation, association, organisation, trust, a state or government or any agency thereof, a municipal, local or regional authority, and any other entity or organisation, whether incorporated or not (in each case whether or not having separate legal personality);
- (w) **"property"** means real or personal property of any kind and includes any right or interest in such property and anything in action;
- (x) **"Shares"** means shares in the capital of any body corporate, and includes the MainPower Shares and all other shares in the Company;
- (y) **"Special Resolution"** means, subject to the express provisions of this deed, a resolution passed at a meeting of the Board and ap-

proved by a number of Trustees that exceeds 75% of the total number of Trustees holding office at the time (excluding those who are not entitled to vote on the resolution pursuant to clause 10.1);

(z) **"Tax Concession"** means any tax concession under New Zealand law directly or indirectly benefiting charitable entities, including (without limitation) exemption of a charitable entity's income from income tax and any tax concessions in respect of contributions to a charitable entity;

(a) (aa) **"this deed"** means this deed executed by the Initial Trustees setting out the terms of the MainPower Foundation and, as the context requires, includes any variation to the terms of the MainPower Foundation in accordance with clause 18;

(z) (bb) **"Trigger Event"** means the earlier of:

(i) the date that the MainPower Trust is wound up under clause 22 of the trust deed of the MainPower Trust; or

(ii) the date that the MainPower Foundation receives a substantial distribution from the MainPower Trust (other than the Initial Fund) which, in the Trustees' reasonable opinion, will result in a material addition to the Trust Fund, including any distribution to the MainPower Foundation under clause 7.2(b)(i) of the trust deed of the MainPower Trust;

(cc) **"Trust Fund"** means:

(i) **Initial Fund:** the initial amount held by the Initial Trustees to establish the MainPower Foundation; and

(ii) **Other Property:** all other property, including capital and income, paid to or held under the control of or vested in or acquired by the Board on the terms of the MainPower Foundation from any source on or after the date of this deed, whether by way of gift, bequest, devise, purchase, exchange or otherwise; and

(ii) (dd) **"Trustee"** means any individual holding office as a trustee of the MainPower Foundation for the time being in accordance with the terms of this deed, whether as an Initial Trustee, Appointed Trustee or Elected Trustee;

1 **Clauses:** a reference to any clause is a reference to a clause of this deed;

1 **Headings:** section, clause and other headings are for ease of reference only and do not form any part of the context or affect the interpretation of this deed;

1 **Negative Obligations:** any obligation not to do anything includes an obligation not to suffer, permit or cause that thing to be done;

1 **Particular References:** a reference to anything of a particular nature either before or after a general statement do not limit the general statement;

- 1 **Inclusive Expressions:** the term **includes** or **including** (or any similar expression) is deemed to be followed by the words **without limitation**;
- 1 **Plural and Singular:** singular words include the plural and vice versa; and
- 1 **Legislation:** a reference to any legislation or to any provision of any legislation includes:
  - (a) **Legislative Amendments:** that legislation or provision as from time to time amended or re-enacted and any corresponding replacement legislation or provision; and
  - (b) **Subordinate Legislation:** any statutory instrument, regulation, rule or order issued under that legislation or provision (as from time to time amended or re-enacted) or under any corresponding replacement legislation or provision.

## 2. NAME OF THE TRUST

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- 2 **Original Name:** The name of the Trust is the MainPower Foundation.
- 2 **Change of Name:** The Board may, by Special Resolution, change the name of the MainPower Foundation to any other name as determined by the Board from time to time, provided that the new name must not be offensive or liable to mislead any member of the public.
- 2 **Records and Notice:** The Board must ensure that any change of name is recorded in the MainPower Foundation's records and, if required by law, notified to any relevant authority (for example, under the Charitable Trusts Act 1957, under the Charities Act 2005 if the MainPower Foundation is registered under that Act, and under any relevant tax legislation).

## 3. TRUST FUND

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- 3 **Declaration of Trust:** The Trustees declare that they hold the Trust Fund, including both capital and income, and that the Trust Fund will continue to be held and administered by the Board, on trust for Charitable Purposes in the MainPower District in accordance with the terms set out in this deed.
- 3 **Trusts of Capital and Income:** Subject to the terms set out in this deed and clause 8, the Board may distribute or apply from time to time so much of the capital and income of the Trust Fund (after payment from the income of all fees, costs, charges, expenses, reserves and disbursements of or incidental to the governance, operation, management or administration of the MainPower Foundation) as the Board thinks fit in accordance with clause 4.
- 3 **Distribution of Income:** In respect of the income of any Financial Year of the MainPower Foundation, the Board may:
  - (a) **Pay or Apply:** pay or apply all or any part of the income under clause 3.2 during or within six months after the end of the Financial Year; or

(b) **Retain:** to the extent that the income is not paid or applied pursuant to clause 3.3(a):

- (i) **Accumulate Income:** accumulate it in an income reserve and pay or apply it or any part of it at any time thereafter as income under clause 3.2; or
- (ii) **Declare Capital:** declare it to be part of the capital of the Trust Fund in which event it shall become and remain as capital for all purposes of this deed.

#### 4. CHARITABLE PURPOSES

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**4 Trust Fund Held for Charitable Purposes:** The Trust Fund, including both capital and income, is to be held and administered by the Trustees on trust for the Charitable Purposes in the MainPower District, which are to be pursued for public benefit and not for private profit. Subject to the terms set out in this Deed, the Trustees may distribute or apply from time to time so much of the income constituting the Trust Fund as the Trustees think fit to advance the Trust's Charitable Purposes in the MainPower District or any one or more of those purposes.

**4 Permitted Activities of the MainPower Foundation:** Subject to the terms set out in this deed, the Board may undertake any activity, not being prohibited by law, as the Board thinks fit, including working with any governmental, community, business, or other organisation, to advance and achieve any one or more of the Charitable Purposes in the MainPower District, provided that the activities of the MainPower Foundation must at all times be consistent with:

- (a) **Charitable Purposes:** the continued operation of the MainPower Foundation for exclusively Charitable Purposes in New Zealand, for the benefit of the public in the MainPower District and not for private profit; and
- (b) **Tax Concessions:** the MainPower Foundation's eligibility for the benefit of any Tax Concession for which it would otherwise be eligible, unless in relation to any such concession the Board has determined that eligibility for the benefit of that concession is not required in the best interests of the MainPower Foundation in relation to the advancement of its purposes.

**4 Specific Trusts:** The Board may receive, acquire and hold any part of the Trust Fund on trust for any specific purpose falling within the Charitable Purposes of the MainPower Foundation or subject to specific terms consistent with the general terms of the MainPower Foundation (referred to as a **Specific Trust**), and in relation to any such Specific Trust:

- (a) **Identification/Administration:** the Board must separately identify, administer and apply, that part of the Trust Fund in accordance with the terms of the Specific Trust on which it is held; and
- (b) **Costs of Administration:** costs relating to the administration of the Specific Trust, including a fair proportion of the general administration costs of the MainPower Foundation, will be borne by that part of the Trust Fund held on Specific Trust, provided that the Board may apply any other part of the Trust-

Fund (but excluding any part of the Trust Fund held on another Specific Trust) to meet all or part of the costs relating to the administration of the Specific Trust.

## 5. ROLE AND POWERS OF THE BOARD

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**5 Role of the Board and Trustees:** In accordance with the terms set out in this deed, the role of the Board, and each Trustee, is to focus on and act in the best interests of the MainPower Foundation in relation to the advancement of its Charitable Purposes. For this purpose:

- (a) Board Control/Responsibility:** the Board will have overall control of, and responsibility for, the Trust Fund and the administration of the MainPower Foundation, and the affairs of the MainPower Foundation will be managed by, or under the direction or supervision of, the Board;
- (b) Strategic Planning:** as soon as practicable after the Board receives notice from the MainPower Trust that a Trigger Event will occur, the Board will develop, implement and monitor strategic and business plans, policies and procedures in furtherance of the MainPower Foundation's Charitable Purposes;
- (c) Chief Executive Officer:** from the Trigger Event, the Board may appoint a Chief Executive Officer to manage the MainPower Foundation's operations and who will report to the Trustees at each Trustee meeting;
- (d) Major Decisions:** from the Trigger Event, the Board will approve major decisions concerning MainPower Foundation assets based on the establishment of appropriate delegations of authority with the Chief Executive Officer (if applicable);
- (e) Governance:** the Board will adhere to best practice governance and ensure that the MainPower Foundation's governance procedures are reviewed at least every three years to ensure that those procedures are fit for purpose, assist the MainPower Foundation in achieving its Charitable Purposes and are otherwise implemented in accordance with the Charities Act 2005;
- (f) Trustee Duties:** the Trustees must comply, and enable and assist the Board to comply, with all applicable trustee duties under the Trusts Act 2019, namely:
  - (i) Knowledge of Terms:** to know the terms of the MainPower Foundation as set out in this deed;
  - (ii) Compliance with Terms:** to act in accordance with the MainPower Foundation's terms;
  - (iii) Honesty/Good Faith:** to act honestly and in good faith;
  - (iv) Focus on Charitable Purposes:** to hold and deal with the Trust Fund, and otherwise act, to further the MainPower Foundation's Charitable Purposes in accordance with MainPower Foundation's terms;

- (v) **Proper Use of Powers:** to exercise their trustee powers for a proper purpose;
- (vi) **Proper Consideration of Powers:** to consider actively and regularly whether they should be exercising their trustee powers;
- (vii) **No Fettering of Discretion:** not to bind or commit themselves to a future exercise or non-exercise of any discretion;
- (viii) **General Duty of Care:** in administering the MainPower Foundation (other than exercising any discretion to distribute any part of the Trust Fund), to exercise care and skill that is reasonable in the circumstances;
- (ix) **Prudent Investment:** in exercising any power to invest any part of the Trust Fund, to exercise care and skill that a prudent person of business would exercise in managing the affairs of others; and
- (x) **No Benefit, Profit or Reward:** not to exercise any trustee power directly or indirectly for their own benefit, or to make a profit from their trusteeship, or to take any reward for acting as Trustees, except as provided for under this deed or permitted under the Trusts Act 2019,

and all such duties must be performed having regard to the context and the objectives of the MainPower Foundation, and in particular the MainPower Foundation's Charitable Purposes.

**5 Powers of Board:** In order to carry out its role, and in particular to advance and achieve the Charitable Purposes of the MainPower Foundation and its activities as set out in clause 3, in addition to all other powers conferred by law but subject to the restrictions contained in this deed (and any other applicable law):

- (a) **Widest Possible Powers:** the Board has the same powers as if it was the absolute owner of, and beneficially entitled to, the Trust Fund, including (without limitation):
  - (i) **General Powers:** all powers necessary to manage the Trust Fund, and all powers necessary to carry out the MainPower Foundation;
  - (ii) **Full Capacity:** full capacity to carry on or undertake any business or activity, do any act, or enter into any transaction; and
  - (iii) **Full Rights, Powers, Privileges:** for the purposes of clause 5.2(a)(ii), full rights, powers, and privileges; and
- (b) **Powers Not Limited or Restricted:** the Board'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.

### 5.3 Powers Of Investment:

- (a) **Powers of Investment:** Subject to clause 5.3(c) , the Trustees have the power of investment conferred by section 58 of the Trusts Act 2019.
  - (b) **Prudent Person of Business:** Notwithstanding section 30 of the Trusts Act 2019 and the likelihood that the Board 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 the Board in carrying out any power of investment will not be the care, diligence and skill required of such persons by section 30 of the Trusts Act 2019 but, subject always to clauses 5.3(c), 5.3(d) and 15, will at all times be the care, diligence and skill that a prudent person of business would exercise in managing the affairs of others.
  - (c) **Restriction on Dealing with MainPower Shares:** Notwithstanding any rule of law on the investment of trust funds and notwithstanding anything else in this deed, the Board is not under any duty or obligation to sell, transfer or otherwise dispose of any of the MainPower Shares or attempt to sell, transfer or otherwise dispose of any of the MainPower Shares.
  - (d) **No Diversification Requirement:** Notwithstanding anything else in this deed, no Trustee shall be liable for any breach of trust in relation to the care, diligence and skill exercised by that Trustee in carrying out any power of investment merely because the investments of the Trust Fund are not diversified or do not or might not produce income or other return because the Company is not paying a dividend on the MainPower Shares to the Trustees.
- 5 **Delegation of Powers:** Subject to sections 67 and 68 of the Trusts Act 2019 (reflected in clause 5.5) and any other applicable law, to the full extent permitted by law, the Board may delegate any of its powers or discretions, in writing and subject to such terms and/or directions as the Board thinks fit, to any subcommittee or subcommittees of the Board, or any officer, employee, manager, agent, attorney or other person or body nominated or appointed by the Board, provided that:
- (a) **Exercise of Delegated Powers:** any delegated power or discretion must be exercised in accordance with the terms of this deed and any terms set or directions given by the Board;
  - (b) **Review of Delegation:** the Board must keep any such delegation under review and, if the circumstances make it appropriate to do so, consider whether to intervene in any way (whether by way of giving directions, amending or revoking the delegation or any of its terms/directions, or otherwise);
  - (c) **Revocation of Delegation:** the Board may wholly or partly revoke or modify any such delegation at any time; and
  - (d) **Responsibility of Trustees:** no such delegation will release the Board and the Trustees from their responsibilities in relation to the MainPower Foundation.

**5 Non-delegable Powers:** In accordance with, and without limiting the application of, sections 67 and 68 of the Trusts Act 2019, the Board must not delegate:

- (a) **Use of Trust Fund:** any power or function that is, or relates to, the final determination of whether, when or in what way any of the Trust Fund should be distributed, applied or otherwise used;
- (b) **Trustee Appointment/Removal:** the power to appoint or remove any Trustee (if at any time the Board has such power);
- (c) **Resettlement/Variation/Winding Up:** the power to resetttle all or any part of the Trust Fund, to vary the terms of the MainPower Foundation, and to wind up the MainPower Foundation; and
- (d) **Court Applications:** any right of the Board to make any application to the Court in connection with the MainPower Foundation.

**5 Role of the Initial Trustees:** Without derogating from their general role under clause 5.1, the role of the Initial Trustees includes:

- (a) **Registration as Charitable Trust:** as soon as practicable after the MainPower Foundation is established, doing all things practicable and expedient to incorporate the Board under the Charitable Trusts Act 1957;
- (b) **Transition Period:** as soon as practicable after the Board receives notice from the MainPower Trust that a Trigger Event will occur, the Board will enter into a transition period until the Trigger Event, during which time the Board will:
  - (i) **Registration as Charity:** register the MainPower Foundation under the Charities Act 2005 and ensure that the MainPower Foundation obtains any registration or approval required to become eligible for the benefit of any Tax Concession, in accordance with clause 7;
  - (ii) **Transition Plan:** consider the matters set out in the Transition Plan set out in Schedule 3, and any other matter that may be required in order to ensure that the MainPower Foundation is fit-for-purpose prior to the Trigger Event; and
  - (iii) **Appointment of Replacement Trustees:** appoint replacement Trustees, including Elected Trustees and Appointed Trustees, elected and appointed in accordance with clause 9.3 and the processes set out in Schedule 1 and Schedule 2.

## 6. RESTRICTIONS RELATING TO PRIVATE BENEFITS

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- 6 General Restriction:** Nothing expressed or implied in this deed will permit the activities of the MainPower Foundation, or any business carried on by, or for, or for the benefit of the MainPower Foundation, to be carried on for the private profit of any person so as to affect:



- (a) **Charitable Purposes:** the continued operation of the MainPower Foundation for exclusively Charitable Purposes in New Zealand, for the benefit of the public in the MainPower District and not for private profit; or
- (b) **Tax Concessions:** the MainPower Foundation's eligibility for the benefit of any Tax Concession for which it would otherwise be eligible, unless in relation to any such concession the Board has determined that eligibility for the benefit of that concession is not required in the best interests of the MainPower Foundation in relation to the advancement of its Charitable Purposes.

**6 Permitted Expenditure:** For the avoidance of doubt, the proscription of private profit under clause 6.1 does not preclude the application of the Trust Fund to or towards:

- (a) **Remuneration and Reimbursement:** remuneration for services provided, and reimbursement of expenses properly incurred, by the Trustees, in accordance with clause 14; or
- (b) **Consideration for Goods and Services:** consideration for the supply of any goods or services acquired in the course of pursuing the Charitable Purposes of the MainPower Foundation, provided that the consideration does not exceed fair market value for the supply.

**6 Business Income Restriction:** For the purpose of ensuring that income derived by the Board from any business carried on by, or for, or for the benefit of the MainPower Foundation, is exempt from income tax (as at the date of this deed, under section CW 42 of the Income Tax Act 2007), no person holding any of the following positions will have, by virtue of that position, an ability, either directly or indirectly, to determine or materially influence the determination of the nature or extent of any benefit or advantage from the business or the circumstances in which a benefit or advantage from the business is or is to be given or received:

- (a) **Settlor or Trustee:** a settlor or trustee of the trust by which the business is carried on;
- (b) **Shareholder or Director:** a shareholder or director of the company by which the business is carried on;
- (c) **Settlor or Trustee of Shareholder Trust:** a settlor or trustee of a trust that is a shareholder of the company by which the business is carried on;
- (d) **Associates:** a person associated with any person referred to in clauses 6.3(a) to (c) (as determined under the Income Tax Act 2007, for the purpose of section CW 42 of that Act).

For the avoidance of doubt, for the purposes of this clause 6.3 a relevant benefit or advantage from the business does not include any benefit or advantage to a person for any Charitable Purpose of the MainPower Foundation or any other benefit or advantage that may be disregarded under section CW 42(1)(c) of the Income Tax Act 2007 or any other provision of section CW 42.

## 7. ELIGIBILITY FOR TAX CONCESSIONS

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- 7      **General Requirement:** The Board must do all things practicable and expedient to ensure that the MainPower Foundation is, and remains, eligible for the benefit of any Tax Concession, unless in relation to any such concession the Board has determined that eligibility for the benefit of that concession is not required in the best interests of the MainPower Foundation in relation to the advancement of its Charitable Purposes.
- 7      **Specific Requirements:** Without limiting the generality of clause 7.1, the things to be done under that clause may include:
- (a)      **Registration under the Charities Act:** registering under the Charities Act 2005 prior to the Trigger Event and maintaining such registration; and
  - (b)      **Compliance under Charities and Tax Legislation:** complying with all relevant obligations under:
    - (i)      **Charities Act:** the Charities Act 2005, including all reporting, filing and other such obligations and the requirement to review the governance procedures of the MainPower Foundation at least once every three years; and
    - (ii)      **Revenue Legislation:** the Income Tax Act 2007, Goods and Services Tax Act 1985, Tax Administration Act 1994 or any other relevant tax legislation.

## 8. APPROVAL OF MAJOR TRANSACTIONS

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- 8      **Approval of Major Transactions:** After the Trigger Event, the Board must not enter into any Major Transaction unless there are at least five Trustees in office and the transaction is approved by a Special Resolution, or by a written resolution under clause 11.2(b).
- 8      **"Major Transaction":** For the purpose of clause 8.1, Major Transaction means:
- (a)      **Application of Capital:** the distribution or application from time to time of any part of the capital of the Trust Fund in accordance with clause 3.2;
  - (b)      **Acquisition of Assets:** the acquisition of, or an agreement to acquire, whether contingent or not, assets the value of which is more than half the value of the Trust Fund before the acquisition; or
  - (c)      **Disposal of Assets:** the disposition of, or an agreement to dispose of, whether contingent or not, any part of the Trust Fund the value of which is more than half the value of the Trust Fund before the disposition; or
  - (d)      **Other Transactions:** a transaction that has, or is likely to have, the effect of the Board acquiring rights or interests or incurring obligations or liabilities, including contingent liabilities, the value of which is more than half the value of the Trust Fund before the transaction; provided that:

- (e) **Charge Over Assets:** nothing in clause 8.2(c) or 8.2(d) applies by reason only of the Board giving, or entering into an agreement to give, a charge secured over all or any part of the Trust Fund the value of which is more than half the value of the Trust Fund for the purpose of securing the repayment of money or the performance of an obligation; and
- (f) **Assessment of Contingent Liabilities:** in assessing the value of any contingent liability, the Board:
  - (i) **Circumstances Affecting Value:** must have regard to all circumstances that the Board knows, or ought to know, affect, or may affect, the value of the contingent liability; and
  - (ii) **Reasonable Estimates:** may rely on estimates of the contingent liability that are reasonable in the circumstances; and
  - (iii) **Likelihood of Contingency and Claims:** may take account of the likelihood of the contingency occurring and any claim the Board is entitled to make and can reasonably expect to be met to reduce or extinguish the contingent liability.

## 9. TRUSTEES AND OFFICERS OF THE TRUST

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- 9 **Number of Trustees:** The total number of Trustees constituting the Board will be:
- (a) **Initial Trustees:** where the MainPower Foundation is established before a Trigger Event, the total number of the trustees of the MainPower Trust;
  - (b) **Trustees:** once a Trigger Event has occurred, as soon as reasonably practicable and on an ongoing basis, the total number of Trust-ees constituting the Board must be seven Trustees, of which four are Elected Trustees and three are Appointed Trustees, provided that if at any time the total number of Trustees falls below seven:
    - (i) **Number to be Maintained:** the remaining Trustee or Trustees must take any necessary or expedient steps to ensure that the number of Trustees is increased to seven as soon as reasonably practicable in accordance with clause 9.4(a) or clause 9.4(b) as applicable; and
    - (ii) **Trustees Entitled to Act:** subject to the express provisions of this deed, the remaining Trustee or Trustees will be entitled to act in connection with the MainPower Foundation until the number of Trustees is increased to seven.
- 9 **Initial Trustees:** Where the MainPower Foundation is established before a Trigger Event, the Trustees will be the trustees of the MainPower Trust from time to time, until a Trigger Event occurs. Any Trustee appointed under this clause 9.2 will resign with effect from the Term Commencement Date.

**9 Trustees After Trigger Event:** As soon as practicable after the Board receives notice from the MainPower Trust that a Trigger Event will occur, the Board will enter into a transition period until the Trigger Event, during which time:

- (a) **Elected Trustees:** the Board will hold an election for four Elected Trustees in accordance with the procedures in Schedule 1 (**First Elected Trustees**);
- (b) **Appointed Trustees:** after the results of the election held in accordance with clause 9.3(a) are known, the Board will undertake an appointments process for three Appointed Trustees in accordance with the procedures in Schedule 2 (**First Appointed Trustees**); and
- (c) **Term Commencement Date:** the terms of the First Elected Trustees and the First Appointed Trustees will commence on the date that is the later of:
  - (i) **Trigger Event:** the date of the Trigger Event; or
  - (ii) **Delay:** where, for whatever reason, the election and appointments process has not been completed by the Trigger Date, such later date that the Board determines, being the date that is as soon as practicable after the completion of the election and appointment process,(together, the **Term Commencement Date**).

**9 Appointment of Trustees:** Subject to clause 9.2 and 9.3:

- (a) **Election Process:** following the Term Commencement Date, the Board must hold an election for Elected Trustees every three years in accordance with the procedures in Schedule 1. If an Elected Trustee, including a First Elected Trustee, resigns or is removed during his or her term of office, the remaining Trustees must fill the vacancy as soon as reasonably practicable in accordance with the procedures in Schedule 1;
- (b) **Selection/Appointment Process:** following the Term Commencement Date, all replacement and additional Appointed Trustees will be selected by the Board and appointed in accordance with the procedures in Schedule 2;
- (c) **Term of Appointment of Appointed Trustees:** unless the Board determines otherwise at the time of appointment in accordance with any rotation policy established under clause 9.10, an Appointed Trustee's term of appointment will be three years from the effective date of their appointment;
- (d) **Maximum Term of Appointment:** a Trustee may only serve a maximum of three terms of three years each, at which point he or she must retire as a Trustee. This limitation applies regardless of whether the Trustee is an Elected Trustee or an Appointed Trustee, or whether the terms of appointment are served consecutively or otherwise, unless otherwise determined by Special Resolution of the Board. For the avoidance of doubt, a Trustee's term as an Initial Trustee does not count towards this limitation; and

(e) **Re-election/Reappointment:** an individual will be eligible for re-election or reappointment as a Trustee from or following the expiry of their term of appointment as a Trustee, subject to clause 9.4(d) and any other restriction on consecutive terms or service adopted by the Board.

**9 Disqualifying Factors:** Notwithstanding any other provision of this deed, an individual is not eligible to be elected, appointed or to continue to hold office as a Trustee, or to be appointed or to continue to act as an Officer, if the individual is:

- (a) **Associated with Company:** a Director or employee of the Company, provided that this disqualifying factor will not apply if the MainPower Foundation does not own MainPower Shares;
- (b) **MainPower District:** in respect of Elected Trustees only, not a resident of the MainPower District;
- (c) **Breach of Trust:** proven to be guilty of a breach of the terms of this deed (whether express or implied), as determined by a majority of the Board, acting reasonably and taking such advice as is necessary to make that determination;
- (d) **Bankruptcy:** an undischarged bankrupt, or a discharged bankrupt who is prohibited by court order from engaging in any form of business activity;
- (e) **Criminal Conviction:** a person who has been:
  - (i) **Crime Involving Dishonesty:** convicted of any crime involving dishonesty, within the meaning of section 2(1) of the Crimes Act 1961, and sentenced for that crime within the last seven years; or
  - (ii) **Other Offences:** convicted of any offence punishable by a term of imprisonment of two or more years, or sentenced to imprisonment for any offence, unless that person has obtained a pardon;
- (f) **Disqualification from Company Positions:** prohibited from being a director or promoter of, or from being concerned or taking part in the management of, a company under any legislation;
- (g) **Incapacity:** a person:
  - (i) **Property Order:** who is subject to a property order made under the Protection of Personal and Property Rights Act 1988;
  - (ii) **Property Management:** whose property is managed by a trustee corporation under section 32 of the Protection of Personal and Property Rights Act 1988; or
  - (iii) **Mental Incapacity:** who is mentally incapable in relation to property or personal care and welfare, as defined in respect of a donor of an enduring power of attorney under section 94 of that Protection of Personal and Property Rights Act 1988; or

- (h) **Charities Act Disqualification:** who is disqualified from being an officer of a charitable entity under section 16 of the Charities Act 2005, if the MainPower Foundation is registered, or required under clause 7 to be registered, under that Act;
- (i) **Disrepute:** a person:
  - (i) **Reputation:** who by their conduct in any matter relating to the affairs of the MainPower Foundation causes or potentially causes damage to the reputation of the MainPower Foundation, as determined by Special Resolution of the Board, acting reasonably and taking such advice as is necessary to make that determination; or
  - (ii) **Code of Conduct:** who breaches any code of conduct promulgated by the Board from time to time, as determined by Special Resolution of the Board, acting reasonably and taking such advice as is necessary to make that determination.

**9 Cessation of Office:** An individual holding office as a Trustee will cease to hold such office, notwithstanding that his or her term of appointment has not expired, if the individual:

- (a) **Resignation:** resigns by giving 28 days' written notice to the Board (or such lesser notice period that the Board may at its discretion accept);
- (b) **Ineligibility:** is not eligible, or becomes ineligible, to hold office as a Trustee under clause 9.5;
- (c) **Failure to Attend Meetings:** fails to attend any three or more consecutive meetings of the Board without leave granted by the Board; or
- (d) **Death:** dies while holding office as a Trustee.

**9 Actions on Retirement:** When a person retires as a Trustee (**Retiring Trustee**) all assets comprising the Trust Fund held by that Trustee (whether jointly or individually) will immediately and without further formality vest in the persons who are or will be the continuing Trustees immediately after the Retiring Trustee has retired on and subject to the terms of this deed.

**9 Consequences of Retirement:** The Retiring Trustee or his or her personal representative must sign all documents necessary to give effect to the retirement.

**9 Appointment of Attorney:** On appointment, each Trustee will execute a limited power of attorney irrevocably appointing the Chair as his or her attorney for the purposes of signing any documents and any third party notice of the Trustee's retirement.

**9.10 Rotation Policy:** In developing any rotation policy for the Appointed Trustees, the Board will consider the need to balance the Trustees' institutional knowledge of the MainPower Foundation's activities with the differing skills and attributes that the MainPower Foundation may need from time to time to implement the MainPower Foundation's Charitable Purposes.

- 9.11      **9      Appointment/Removal of Officers:** The following provisions apply in relation to the appointment of the Chair and Deputy Chair, and other Officers:
- (a)              **Chair and Deputy Chair:** The Board must appoint from time to time, for a term of appointment of one year from the effective date of the appointment, or for any period of less than one year from the effective date of appointment, if so determined by the Board:
- (i)              **Chair:** one Trustee to hold office as the Chair of the MainPower Foundation; and
- (ii)             **Deputy Chair:** another Trustee to hold office as the Deputy Chair of the MainPower Foundation;
- (a)      provided that any individual appointed to hold office as Chair or Deputy Chair will only hold that office while they remain a Trustee.
- (b)              **Other Officers:** The Board may from time to time appoint or employ an executive or executives to manage the MainPower Foundation in general or in respect of specific functions, for a fixed term or otherwise, and on such other terms (including remuneration) as the Board determines. However, no Trustee may be an executive of the MainPower Foundation. If holding any such position would result in the appointee being an officer of the MainPower Foundation under the Charities Act 2005, the appointee must not be disqualified, and will cease to hold such position if they become disqualified, from acting as an officer of a charitable entity under the Charities Act 2005.
- 9              **Records and Notice:** On every appointment, reappointment, removal or cessation of
- 9.12      office of any Trustee or Officer, the Board must cause an entry to that effect to be included in the minute book kept and maintained by the Board and, if required, notify the change to any relevant authority (for example, under the Charities Act 2005, if the MainPower Foundation is registered under that Act).

## 10. TRUSTEE/OFFICER CONFLICTS OF INTEREST

- 1              **Conflicts of Interest:** Subject to the provisions of this clause 10, the Board may enter into
- 10.1      a transaction in respect of which a Trustee or Officer is Interested, if the Board considers that the transaction is in the best interests of advancing and achieving the Trust's Charitable Purposes.
- 1              **Disclosure and Records:** If a Trustee or Officer is Interested in any transaction entered
- 10.2      into, or to be entered into, by the Board (other than provision for general remuneration or reimbursement of Trustees under clauses 14.1(a) and 14.3, or indemnification or insurance of Trustees, under clause 16):
- (a)              **Disclosure:** the Trustee or Officer, immediately on becoming aware that he or she is Interested in the transaction, must disclose to the Board:
- (i)              **Disclosure of Interest:** the fact of his or her Interest in the transaction; and

- (i) **Disclosure of Nature/Extent of Interest:** the nature of his or her Interest and either the monetary value of the Interest, if the monetary value of the Interest is able to be quantified, or, if the monetary value of the Interest is not able to be quantified, the extent of the Interest; and
- (a) **Record of Interests:** the Board must keep a record of the Interest of the Trustee or Officer in relation to the transaction, in the minute book kept and maintained by the Board.

### 10.3

**Involvement in Transaction:** A Trustee or Officer who is Interested in any transaction entered into, or to be entered into, by the Board (including remuneration or reimbursement of a particular Trustee under clauses 14.1(a) and 14.3, remuneration for services provided by a particular Trustee or a particular Trustee's employee, partner or firm under clause 14.1(b), or indemnification or insurance for a particular Trustee under clause 16):

- (a) **Deliberations and Voting:** must not be involved in deliberations, and in the case of a Trustee will not be counted for the purpose of establishing a quorum and will not be entitled to vote, on any matter relating to the transaction;
- (b) **Attendance at Meetings:** subject to clause 10.3(a), may attend any meeting of the Board that is not limited to dealing with matters relating to the transaction and be included among the attendees at that meeting for the purpose of establishing a quorum to commence the meeting and to deal with other matters at the meeting; and
- (c) **Other Matters:** may sign a written resolution of the Board dealing with any matter relating to the transaction and, acting in accordance with the Board's decisions in relation to the transaction, may sign any contract or other document, or do anything else in relation to the transaction as Trustee or Officer of the Trust.

### 10.4

**1 Board Change or Alternative Options:** If, as a consequence of any Trustee or Trustees being Interested in a transaction, the Board would be unable to establish a quorum and/or decide on a resolution in respect of the transaction, for the Board to act in relation to the transaction:

- (a) **Board Change:** the composition of the Board must change (by way of the appointment and/or the removal or resignation of one or more Trustees); or
- (b) **Alternative Options:** by a majority resolution of all Trustees including any Interested Trustee (being either a resolution at a meeting or a written resolution), the Board may:
  - (i) **Independent Trustee(s):** authorise the independent Trustee or Trustees on the Board who are not Interested Trustees, acting by a majority (by way of a resolution at a meeting or a written resolution), to determine the Board's position on the transaction; or



(ii) **Independent Advice:** engage (as an advisory trustee, special trust advisor or otherwise), and determine to proceed in relation to the transaction in accordance with the advice and/or recommendations of, a suitably qualified independent person.

**10.5 1 Meaning of "Interested":** For the purpose of this clause 10, a Trustee or Officer will be interested in a transaction if the Trustee or Officer:

(a) **Direct Financial Interest:** is a party to, or will or may derive a material financial benefit from, the transaction; or

(b) **Indirect Financial Interest:**

(i) **Through Another Interested Party:** has a material financial interest in another party to the transaction;

(ii) **As Director, Officer or Trustee of another Interested Person:** is a director, officer, or trustee of another party to the transaction, or person who will or may derive a material financial benefit from, the transaction (unless the party or person is wholly owned or wholly controlled by the Board); or

(iii) **As a Relative of Another Interested Person:** is the parent, child, spouse, civil union partner, or de facto partner of another party to, or a person who will or may derive a material financial benefit from, the transaction; or

(a) **Other Material Interest:** otherwise has, directly or indirectly, any material personal interest in the transaction that conflicts, or may conflict, with the best interests of the MainPower Foundation in terms of furthering its Charitable Purposes.

**10.6 Determination of Interests:** Each Trustee and Officer must, in good faith, consider and determine whether they are Interested in any transaction and refer the matter to the Board for the Board's determination if the relevant individual is uncertain regarding the matter.

## **11. PROCEEDINGS OF THE BOARD**

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**11.1 Board Meetings:** Unless provided otherwise in this deed, the following provisions apply in relation to meetings of the Board:

(a) **Obligation to Meet:** The Board must meet from time to time (by the Trustees assembling together, and/or attending 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 Board considers necessary or expedient for the conduct of the affairs of the MainPower Foundation, provided that:

(i) **Convening Meetings:** the Chair, the Deputy Chair, or any two Trustees, may convene a meeting of the Board at any time by -

giving, or arranging for any Officer or employee of the MainPower Foundation to give, written notice of the meeting in accordance with clause 11.1(b); and

- (ii) **AGM Requirement:** from the time a Trigger Event takes place, the Board may hold an AGM each year that is notified (in such manner as the Trustees see fit) and open to the general public, within five months of the end of the Financial Year, to receive and approve the Annual Report for that year and to deal with any other business as determined by the Board.

- (b) **Notice of Meetings:** Unless the Board determines otherwise, meetings of the Board are to be convened by giving each Trustee (other than a Trustee who has waived the right) not less than five working days' written notice of any meeting of the Board 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;

(b) provided that any 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).

- (a) **Quorum and Voting:** Subject to clause 10.1:

- (i) **Quorum:** a quorum at a meeting of the Board will be established only if the number of Trustees in attendance 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; and
- (ii) **Voting:** each Trustee in attendance at a meeting shall have one vote.

- (d) **Resolutions at Meetings:** Subject to the express provisions of this deed, any resolution to be passed at a meeting of the Board must be approved by a number of Trustees that exceeds 50% of the total number of Trustees holding office at the time (excluding any Trustees not entitled to vote pursuant to clause 10.1). Any resolution passed in accordance with this clause will be binding on all Trustees.

- (e) **Role of Chair:** The Chair, or in the absence of the Chair the Deputy Chair, must chair any meeting of the Board. If no Trustee has been appointed Chair or Deputy Chair, or if neither the Chair nor Deputy Chair is present within 15 minutes after the time appointed for commencement of the meeting, the Trustees in attendance at that meeting may appoint one of their number to chair the meeting. Subject to the terms of this deed and any rules/regulations adopted by the Board prior to any meeting, the Trustee chairing the meeting will control the conduct of that meeting.
- (f) **Attendance by Officers and Others:** Any Officer who is not a Trustee will be notified of Board meetings and, subject to the Board determining otherwise in relation to the whole or any part of any such meeting, will be entitled to attend and participate (but not vote) at such meetings. Any other person may attend all or part of any Board meeting as determined by the Board.

**11.2 1 Board Resolutions:** Unless provided otherwise in this deed, the following provisions apply in relation to resolutions to be passed by the Board:

- (a) **Resolutions at Meetings:** any resolution at a meeting of the Board must be passed in accordance with clause 11.1(d);
  - (b) **Written Resolutions:** any written resolution of the Board signed by:
    - (i) **Special Resolution:** for any Special Resolution, a number of Trustees that exceeds 75% of the total number of Trustees holding office at the time (excluding any Trustees not entitled to sign the resolution pursuant to clause 10.1); or
    - (ii) **Ordinary Resolution:** for any other resolution, a number of Trustees that exceeds 50% of the total number of Trustees holding office at the time (excluding any Trustees not entitled to sign the resolution pursuant to clause 10.1),
- (b) will be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held, provided that the requisite majority of Trustees for passing the resolution at a meeting must not be Interested in any transaction to which the resolution relates. Any such resolution may consist of several documents in like form each signed by one or more of the Trustees. 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.
- (a) **Rescission/Variation of Resolutions:** The Board may from time to time rescind or vary any resolution of the Board by way of a resolution passed at a meeting of the Board by at least the same majority as was necessary to pass the resolution that is to be rescinded or varied, or by way of a written resolution.

**11.3 1 Board Rules/Regulations:** Subject to the terms of this deed, the proceedings of the Board, including (without limitation) the manner in which meetings of the Board are to be convened and conducted (including holding meetings by means of audio, au-dio and visual, or any other form of communication suitable for conducting meetings), will be regulated by the Board, for which purpose the Board may develop and adopt

from time to time any rules and/or regulations relating to its proceedings as the Board thinks fit.

**1** **Validity of Proceedings:** Any meeting of the Board and any resolution of the Board will  
**11.4** be as valid and effectual 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 Board, and the individuals acting as Trustees, had complied with any applicable rule and/or regulation adopted by the Board 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 Board.

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

## **12. REPORTING AND ACCOUNTABILITY REQUIREMENTS**

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**12.1** **Strategic Plan:** As soon as practicable after the Board receives notice from the MainPower Trust that a Trigger Event will occur, the Board may develop and adopt a strategic plan for the MainPower Foundation (**Strategic Plan**) and adopt and implement a best practice strategic planning process. Once the Strategic Plan is finalised by the Board (or updated from time to time), the Board may make a copy of the Strategic Plan (and any updated Strategic Plan) available to the general public.

**12.2** **Financial Information:** Without limiting the requirements that may apply to the MainPower Foundation under clause 7.1 (or any other applicable law), from the time a Trigger Event takes place, the Board must ensure that:

- (a)** **Financial Statements:** financial statements of the MainPower Foundation are prepared as soon as practicable after the end of each Financial Year, which must give a true and fair view of the financial position of the Trust Fund for that Financial Year and must:

- (i) **Financial Position:** include a statement of financial position;
  - (ii) **Financial Performance:** include a statement of financial performance; and
  - (iii) **Notes:** include notes to those statements; and
  - (b) **Compliance:** comply with all applicable financial reporting standards and other relevant requirements;
  - (c) **Audit/Review:** if the Board so resolves or if required by law, the Financial Statements are independently audited or reviewed by an appropriately qualified auditor appointed for that purpose by the Trustees; and
  - (d) **Records and Filing:** the Financial Statements, and any audit or review of such statements, are included in the MainPower Foundation's records and, if required by law, filed with any relevant authority (for example, under the Charities Act 2005, if the MainPower Foundation is registered under that Act).
- 12.3 **Annual Report:** From the time a Trigger Event takes place, as soon as practicable after the end of each Financial Year, the Board must prepare an Annual Report that includes a report on the MainPower Foundation's activities during the relevant Financial Year and a copy of the Financial Statements (audited or reviewed, if applicable) for that Financial Year. Once the Annual Report for the Financial Year is finalised and approved by the Board, the Board must make a copy of the Annual Report available to the general public.
- 12.4 **Publication of Documents:** For the purpose of clauses 12.1 and 12.3, the Board may make copies of the MainPower Foundation's Strategic Plan (if any) and its Annual Report available to the general public by:
- (a) **Electronic Access:** publishing an electronic version of any such document on a website for the MainPower Foundation and/or on any public electronic register (for example, the charities register established under the Charities Act 2005); and/or
  - (b) **Hard Copy Access:** making a hard copy of any such document available for inspection at the MainPower Foundation's registered office or any other premises, as determined by the Board.

### 13. GENERAL ADMINISTRATIVE MATTERS

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- 13.1 **Record Keeping:** The Board must ensure that full and accurate records are kept and maintained in respect of the MainPower Foundation, 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 (without limitation):
- (a) **Trust Fund Records:** full and accurate records identifying the Trust Fund and associated matters, including all assets, liabilities, income and expenses of the MainPower Foundation;

- (b) **Financial Records:** financial books, accounts, papers and other financial records of the MainPower Foundation, including full and accurate records and accounts of all receipts, credits, payments, assets, liabilities, transactions and other matters necessary for giving a true and fair view of the financial position of the MainPower Foundation and the Financial Statements for each Financial Year;
- (c) **Minute Book:** a minute book, which must include a full and accurate record of the appointment, removal and cessation of office of Trustees and Officers, disclosures of interest, Board meetings and resolutions, delegations, and any other matters appropriately included in a minute book relating to the MainPower Foundation; and
- (d) **Other Records:** any other records that it may be necessary or appropriate to keep and maintain in respect of the MainPower Foundation, including this deed, any rules and/or regulations adopted by the Board, written communications with the Trustees, and any other documents and information relating to the MainPower Foundation and its activities,

and such records will be open to inspection by any of the Trustees.

**13.2 Financial Matters:** The Board must ensure that:

- (a) **Bank Account(s):** the MainPower Foundation has an account or accounts, at any bank or banks as determined by the Board from time to time, and in relation to any such accounts, cheques, withdrawals and authorities must be signed or endorsed, as the case may be, by one or more persons, any such person being either a Trustee or another person acting on the written authority of the Board; and
- (b) **Administration of Funds:** there are at all times appropriate procedures in place in relation to the Board's receipt, administration and expenditure of the MainPower Foundation's funds.

**13.3 Method of Contracting:** Unless the law requires otherwise, and subject to clause 13.4:

- (a) **Deeds:** a deed to be executed by the Board may be signed on behalf of the Board 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 Board, may be signed on behalf of the Board by a Trustee or another person acting under the express or implied authority of the Board; and
- (c) **Other Contracts:** any other contract or obligation may be entered into on behalf of the Board in writing or orally by a Trustee or another person acting under the express or implied authority of the Board.

**13.4 Common Seal:** If the Trustees are incorporated as a board under the Charitable Trusts Act 1957, the Trustees will have a common seal for the board and the common seal:

- (a) **Custody of Seal:** must be held by one of the Trustees, or an Officer, as determined by the Board;
- (b) **Mandatory Use:** must be affixed to any document required to be executed by the Board under common seal; and
- (c) **Optional Use:** may be affixed to any other document to be executed by the Board;

provided that the common seal must in all cases be affixed pursuant to prior authority given by the Board and in the presence, and accompanied by the signatures, of two or more Trustees.

**1**  
**13.5** **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; or
- (c) **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.

**1**  
**13.6** **Receipt of Notices:** A notice given by a Sender to a Recipient pursuant to clause 13.5 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, four days after it is posted; and
- (c) **Electronic Means:** in the case of electronic means, at the time of transmission.

**1**  
**13.7** **Disputes:** The Board may determine all questions and matters of doubt that may arise in respect of the interpretation and application of this deed.

#### **14. REMUNERATION AND REIMBURSEMENT OF TRUSTEES**

**1**  
**14.1** **Remuneration of Trustees:** Subject to clause 14.2:

- (a) **General Remuneration:** a Trustee may be remunerated for services provided as a Trustee, provided that any such remuneration must be reasonable having regard to the Trustee's duties and responsibilities and the services provided by the Trustee; and
- (b) **Professional Remuneration:** any Trustee engaged in any profession, business or trade may be paid all usual professional, business and trade charges for services requested by the Board that are provided by that Trustee or by that

Trustee's employee or partner, including acts which the Trustee, not being in any profession, business or trade, could have done personally.

**1**        **Remuneration Restrictions:** In relation to any remuneration to be paid under  
**14.2**        clause 14.1:

- (a)        **Fair Market Value:** the amount of the remuneration must not exceed fair market value for the services provided, and the Board must take reasonable steps to seek independent benchmarking advice on the appropriate levels of remuneration for people in similar positions to theirs, carrying out similar duties and obligations, and seek a review of that advice every two years (as a minimum) unless they determine otherwise; and
- (b)        **Business Income Restriction:** if the remuneration is a benefit or advantage in respect of which clause 6.3 applies, neither the Trustee receiving the remuneration nor any person associated with the Trustee may determine or materially influence, directly or indirectly, the nature or amount of that remuneration or the circumstances in which it is to be provided.

**14.3**        **1**        **Reimbursement of Expenses:** A Trustee is entitled to be indemnified against and reimbursed for expenses properly incurred by the Trustee in connection with the MainPower Foundation, including travel and other expenses.

## **15. LIABILITY OF TRUSTEES**

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**15.1**        **Standard of Care:** Despite the fact that the Board may from time to time include Trustees whose profession, employment or business is or includes acting as a trustee or investing money on behalf of others:

- (a)        **Reasonable/Prudent Person Standard:** the Trustees' general duty when administering the MainPower Foundation is to exercise the care and skill that is reasonable in the circumstances, and the Trustees' duty in relation to investment is to exercise the care and skill that a prudent person of business would exercise in managing the affairs of others; and
- (b)        **Higher Standard Excluded:** no Trustee will be subject to any more onerous duty or higher standard of care on account of any special skill, knowledge or experience of the Trustee, under section 29 or 30 of the Trusts Act 2019 or under any equivalent or similar legislation.

**15.2**        **Limited Liability:** No Trustee (including any former Trustee) will be liable for any loss to the Trust Fund arising from any act or omission of the Trustee, the Board or any of the Trustees unless it is attributable to:

- (a)        **Dishonesty:** dishonesty on the part of the Trustee;
- (b)        **Wilful Breach of Trust:** wilful misconduct on the part of the Trustee, including any wilful act or omission of the Trustee known by the Trustee to be a breach of trust or a breach of any other obligation of the Trustee in connection with the MainPower Foundation; or



(c) **Gross Negligence:** gross negligence on the part of the Trustee;

and no Trustee (including any former Trustee) will be liable for any loss to the Trust Fund attributable to any negligence, dishonesty, misconduct or delay on the part of any agent, contractor or employee or other person engaged by the Board in connection with the MainPower Foundation.

**15.3 Proceedings Against Trustees:** Neither the Board nor any Trustee will be bound to take, or liable for failure to take, any proceedings against any other Trustee (including any former Trustee) for any breach or alleged breach of trust committed by that other Trustee.

**15.4 Receipt of Money:** Subject to this clause 15, a Trustee (including any former 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.

## 16. TRUSTEE INDEMNIFICATION AND INSURANCE

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**16.1 Indemnification:** Subject to clause 16.2, each Trustee (including any former Trustee) is entitled to be indemnified out of the Trust Fund against all actions, proceedings, claims, damages, losses, demands, calls, liabilities, costs (including legal costs) and expenses (together called **Liabilities**) suffered or incurred by that Trustee in connection with the MainPower Foundation.

**16.2 Indemnification Restriction:** The indemnification provided under clause 16.1 will not apply to any Trustee (including any former Trustee) to the extent that the Liabilities suffered or incurred by that Trustee are attributable to:

(a) **Dishonesty:** dishonesty on the part of that Trustee;

(b) **Wilful Misconduct:** wilful misconduct on the part of the Trustee, including any wilful act or omission of the Trustee known by the Trustee to be a breach of trust or a breach of any other obligation of the Trustee in connection with the MainPower Foundation; or

(c) **Gross Negligence:** gross negligence on the part of the Trustee.

**16.3 Insurance:** The Board may obtain insurance for the benefit of the Trustees in relation to any Liabilities covered by the indemnification provided under this clause 16 and meet the cost of such insurance out of the Trust Fund.

## 17. TRUSTEE DISPUTE RESOLUTION

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**17.1 Dispute Notice:** A Trustee may, at any time while there is a genuine dispute relating in any way to the MainPower Foundation (**Dispute**), give written notice to all other Trustees specifying the subject matter of the Dispute and requiring that the Trustees meet within 10 Working Days after delivery of the notice, to attempt to resolve the Dispute (**Dispute Resolution Meeting**).

- 17.2 1 Mediation:** If the Trustees fail to resolve the Dispute at the Dispute Resolution Meeting, or if a Trustee fails or refuses to attend the Dispute Resolution Meeting within the 10 Working Day period referred to in clause 17.1 or at the time and venue agreed in writing between the Trustees, the Trustees will immediately be deemed to have submitted the Dispute to mediation by a single mediator agreed on in writing by them or (if they are unable to agree on a mediator within five Working Days after the submission to mediation) nominated by the President for the time being of the New Zealand Law Society (**Mediation**). In the event of any submission to mediation:
- (a) Not Expert:** the mediator will not be acting as an expert or as an arbitrator;
  - (b) Procedure:** the mediator will determine the procedure and timetable for the mediation; and
  - (c) Costs:** the parties involved in the Dispute will share equally the cost of the mediation.
- 17.3 1 Legal Proceedings:** No party may issue any legal proceedings (other than for urgent interlocutory relief) relating to any Dispute, unless that party has first taken all reasonable steps to comply with clauses 17.1 and 17.2.

## **18. VARIATION OF TRUST TERMS**

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- 18.1 Approval of Variation:** Subject to clause 18.2, the Board may from time to time, by deed (which may be in the form of a revised deed of trust setting out all of the terms of this deed, as varied), vary the terms of this deed, by amending, deleting or replacing any term set out in this deed (including, for the avoidance of doubt, the details of the Charitable Purposes of the MainPower Foundation), provided that any such variation must be approved by a Special Resolution, or by written resolution under clause 11.2(b).
- 1 Variation Restrictions:** No variation (or purported variation) of the terms set out in
- 18.2** this deed will be valid or effective if it would:
- (a) MainPower District:** amend the definition of the MainPower District, without first having obtained an order of the High Court to amend the definition;
  - (b) Charitable Purposes:** permit the MainPower Foundation to operate other than for exclusively Charitable Purposes in New Zealand, for the benefit of the public in the MainPower District and not for private profit;
  - (c) Tax Concessions:** affect the MainPower Foundation's eligibility for the benefit of any Tax Concession for which it would otherwise be eligible, unless in relation to any such concession the Board has determined that eligibility for the benefit of that concession is not required in the best interests of the MainPower Foundation in relation to the advancement of its Charitable Purposes; or
  - (d) Winding Up:** affect clause 19.3,

and until the variation has been registered under the Charitable Trusts Act 1957 and the Charities Act 2005, if these Acts apply to the MainPower Foundation.

- 18.3 Records and Filing:** The Board must ensure that any variation of the terms set out in this deed is included in the MainPower Foundation's records and, if required by law, filed with any relevant authority (for example, under the Charitable Trusts Act 1957, and under the Charities Act 2005 if the MainPower Foundation is registered under that Act).

## 19. WINDING UP THE TRUST

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- 1 19.1 Approval of Winding Up:** Subject to clauses 19.2 and 19.3, the Trustees may by resolution passed at a meeting of Trustees determine to wind up the MainPower Foundation and direct the distribution or application of the Trust Fund on winding up for exclusively Charitable Purposes as required under clause 19.3, provided that such resolution must be approved by a Special Resolution.
- 1 19.2 Board Meeting Required:** In relation to the Board's consideration of any resolution to wind up the MainPower Foundation under clause 19.1:
- (a) Resolution at Meeting:** the resolutions must be passed at a meeting of the Board called for that purpose;
  - (b) Public Meeting:** the meeting must be open to the public; and
  - (c) Notice of Meeting:** all Trustees must be given not less than 28 days' notice of the meeting and the purpose of the meeting, and the Trustees must also ensure that members of the public are so notified (in such manner as the Trustees see fit).
- 1 19.3 Winding Up the Trust:** In relation to winding up the MainPower Foundation:
- (a) Satisfaction of Debts/Liabilities:** the Board must first ensure that all debts and liabilities of the MainPower Foundation, including the costs of winding up the MainPower Foundation, have been or will be satisfied out of the Trust Fund or have been or will be assumed by another person; and
  - (b) Distribution/Application of Trust Fund:** the remainder of the Trust Fund must then be distributed or applied for exclusively Charitable Purposes, for the benefit of the public in the MainPower District and not for private profit, such distribution or application to be made:
    - (i) Trustee Resolution:** in accordance with the resolution of Trustees under clause 19.1; or
    - (ii) Court Direction:** otherwise at the direction of a Judge of the High Court of New Zealand.
- 1 19.4 Notice Requirements:** The Board must ensure that notice of winding up of the MainPower Foundation is filed with any relevant authority (for example, under the Charitable Trusts Act 1957, under the Charities Act 2005 if the MainPower Foundation is registered under that Act, and under any relevant tax legislation).

## 20. GOVERNING LAW AND JURISDICTION

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- 20.1 Governing Law:** This deed is governed by New Zealand law.
- 20.2 Jurisdiction:** In connection with the MainPower Foundation, the Settlor and the Trustees submit to the non-exclusive jurisdiction of all courts having jurisdiction in New Zealand.

## 21. EXECUTION AND DELIVERY OF DEED

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- 21.1 Execution and Delivery:** This deed may be executed and delivered in any number of counterparts signed by one or more of the signatories and all signed counterparts taken together will be deemed to constitute one document.
- 21.2 Trustee Acceptance and Eligibility:** By executing this deed, each of the individuals signing as a Trustee is confirming their acceptance of office as a Trustee and confirming that they are eligible to hold office as a Trustee.

## EXECUTED AND DELIVERED AS A DEED

*[Insert Execution blocks]*

## SCHEDULE 1

### RULES GOVERNING THE ELECTION OF ELECTED TRUSTEES

#### 1. INTERPRETATION

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- 1 **Defined Terms:** Terms in these Rules have the same meanings as in the deed, unless otherwise provided or the context otherwise requires.
- 1 **Interpretation:** These Rules will 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 prevail.
- 1 **Definitions:** In these Rules unless the context otherwise requires:
- (a) **"Closure of Nominations"** means 5.00 p.m. on the day that is six weeks before the Election Day, or such other time determined by the Trustees pursuant to Rule 13.2;
  - (b) **"Closure of Voting"** means 12 noon on the Election Day, or such other time determined by the Trustees pursuant to Rule 13.2;
  - (c) **"Elected Trustees"** means the Trustees who are declared elected under Rules 9.1, 9.2 or 11.4 and except where these Rules state otherwise includes any Trustees appointed under Rule 4.1(c);
  - (d) **"Election Day"** means the date of any election held pursuant to Rule 2.3, being:
    - (i) the date of the First Election determined by the Trustees;
    - (ii) in relation to the second election, the first Friday in the month that includes the third anniversary of the Term Commencement Date (**Second Election Date**);
    - (iii) in relation to subsequent elections, the first Friday of the month that includes the third anniversary of the Second Election Date, and at three yearly intervals thereafter; and
    - (iv) the date of any Special Election set by the Trustees pursuant to Rule 12.2(a);
  - (e) **"Election Results"** means the results of the voting declared by the Returning Officer under (as the case requires) Rules 9.1, 9.2 or 11.4;
  - (f) **"First Election"** means the election to be held pursuant to clause 9.3(a) of the deed;
  - (g) **"Qualifying Voter"** is defined in Rule 2.2;

- (h) **"Retiring Trustees"** means the Elected Trustees retiring pursuant to Rule 5.1;
- (i) **"Returning Officer"** is defined in Rule 6.1;
- (j) **"Special Election"** means an election called by the Trustees pursuant to Rules 12.1 and 12.2;
- (k) **"Trustee Vacancies"** means a vacancy or vacancies to be filled on each Election Day in order to replace any Retiring Trustees and any Elected Trustee that has ceased to be an Elected Trustee pursuant to clause 9.6 of the deed, where no Trustee has been elected or appointed as a replacement pursuant to Rule 4.1(b) or 4.1(c), or where no Trustee has been appointed pursuant to Rule 9.2(a), and bring the total number of Elected Trustees to four.

## 2. NUMBER AND SELECTION OF ELECTED TRUSTEES

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- 2 **Number of Trustees:** Subject to Rules 4.1(a) and 9.2(b), the number of Elected Trustees of the MainPower Foundation will be four.
- 2 **Qualifying Voter:** The Elected Trustees must be elected by the persons who, as at an appropriate date from time to time designated by the Trustees:
  - (a) have their names appearing on the roll of electors of a local authority the whole or any part of whose district is situated within the MainPower District; and
  - (b) have their electoral address situated within the MainPower District,
- 2 **(Qualifying Voter)** in accordance with these Rules.
- 2 **Elections:** Elections must be held:
  - (a) in relation to the First Election, on the date determined by the Trustees;
  - (b) in relation to the second election, on the first Friday of the month that includes the third anniversary of the Term Commencement Date (**Second Election Date**);
  - (c) in relation to subsequent elections, on the first Friday of the month that includes the third anniversary of the Second Election Date, and at three yearly intervals thereafter; and
  - (d) at such other times as the Trustees determine pursuant to Rules 12.1 and 12.2.

## 3. TERM OF OFFICE

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- 3 **Term of Office:** The term of office:

- (a) **Elected Trustee:** for an Elected Trustee, will end at midnight on the day on which the Elected Trustee retires pursuant to Rule 5.1, as modified by Rules 3.1(b) or 3.1(c) (if applicable);
  - (b) **Elected Under Rule 4.1(b) (Special Election):** for an Elected Trustee who has been elected at a Special Election under Rule 4.1(b), will be the unexpired portion of the term of office of the Elected Trustee who is replaced by that Elected Trustee; and
  - (c) **Elected Under Rule 4.1(c) (Special Appointment):** for an Elected Trustee who has been appointed by special appointment under Rule 4.1(c) or Rule 9.2(a) will be the period that begins on the day specified in the appointment (but not being earlier than the time and day of the appointment) and ends at midnight on the day on which the Trustee retires pursuant to Rule 5.1(a),
- and a person will cease to be an Elected Trustee when his or her term of office as an Elected Trustee ends under this Rule 3.1.

#### 4. VACANCIES

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- 4 **On Retirement:** If an Elected Trustee ceases to be a Trustee, the remaining Trustees must, as soon as practicable, do one of the following:
- (a) **Reduced Number:** if an Elected Trustee ceases to be an Elected Trustee within 12 months of an Election Day and the number of Elected Trustees is then three, the Trustees may in their discretion continue with three Elected Trustees; or
  - (b) **Special Election:** the Trustees may call a Special Election under Rule 12.1 to elect another person as a replacement for the Elected Trustee; or
  - (c) **Special Appointment:** the Trustees may appoint another person as a replacement for the Elected Trustee in accordance with the process set out in Schedule 2.

#### 5. ELECTIONS AND ELECTION DAYS

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- 5 **Elected Trustees to Retire:** Subject to Rule 5.3, the following Elected Trustees must retire on the day that is thirteen days after each Election Day (provided that where necessary the Elected Trustees to retire will be determined prior to the publication of the notice of election referred to in Rule 7.1):
- (a) **Special Appointment Trustees:** all of those Trustees that have been appointed by special appointment by the remaining Trustees in accordance with Rules 4.1(c) or Rule 9.2(a) where that appointment took effect since the notice of election referred to in Rule 7.1 and relating to the preceding Election Day was published; and
  - (b) **Elected Trustees:** all those Elected Trustees that were not declared elected under Rules 9.1, 9.2 (other than under Rule 9.2(a)) or

11.4 at the most recent election, subject to Rule 5.2 and having regard to Rule 3.1(b) for Elected Trustees elected at a Special Election.

- 5 **Less Elected Trustees to Retire:** If the application of Rule 5.1(b) would result in the number of Trustee Vacancies at the election in question being more than two then the number of Elected Trustees required to retire under Rule 5.1(b) will be reduced pursuant to Rule 5.3 so that the number of Trustee Vacancies is two provided that if the number of Trustee Vacancies is more than two due solely to the application of Rule 5.1(a) and any vacancy caused by an Elected Trustee ceasing to be an Elected Trustee where no Elected Trustee has been elected or appointed as a replacement pursuant to Rules 4.1(b) or 4.1(c) the number of Trustee Vacancies may be more than two but no Elected Trustees will be required to retire pursuant to Rule 5.1(b).
- 5 **Determination of Retiring Trustees:** If the number of Elected Trustees required to retire under Rule 5.1(b) is reduced pursuant to Rule 5.2, then:
- (a) subject to Rule 5.3(c), the Elected Trustees that are not required to retire will be those that have served as Elected Trustees for the shortest continuous period (including any re-elections following an Election Day, but counting the period of service of the replaced Elected Trustee if an Elected Trustee has been elected under Rule 4.1(b));
  - (b) if more than the required number of Elected Trustees have served as Elected Trustees for the same continuous length of time, then the Elected Trustee(s) that are not required to retire will be determined by lot;
  - (c) the Elected Trustees that are not required to retire will be the first Elected Trustees available for retirement at the next election, regardless of whether any other Elected Trustee has served as Elected Trustee for a longer continuous period.
- 5 **Election to Fill Vacancies:** An election must take place in accordance with these Rules in relation to each Election Day to fill any Trustee Vacancies.
- 5 **Eligibility for Re-Election:** All Retiring Trustees are eligible for re-election and, notwithstanding Rule 8.1, are automatically deemed to be nominated for re-election in accordance with these Rules, unless the Retiring Trustee gives notice to the contrary to the Secretary seeking not to be re-elected or is otherwise ineligible for re-election.
- 5 **Application of Rules:** For the purposes of the election of Elected Trustees, Rules 6.1 to 6.6, 7.1, 8.1 to 8.5, 9.1 to 9.4, 10.1 to 10.6 and 11.1 to 11.5 apply.

## 6. RETURNING OFFICER

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- 6 **Returning Officer:** Subject to Rule 12.2(b), for each election of Elected Trustees there must be a returning officer (**Returning Officer**) who must be appointed by the Trustees not fewer than four months before each Election Day.
- 6 **Ineligibility:** A Trustee, a director of the Company, or a director of any subsidiary of the Company must not be a Returning Officer.



- 6     **Replacement Returning Officer:** In the event of the death, incapacity or cessation of office of the Returning Officer, a replacement Returning Officer must be appointed by the Trustees.
- 6     **Conduct Election:** The Returning Officer will conduct the election of Elected Trustees. To the extent that any procedure or matter for election of Elected Trustees is not prescribed by these Rules, the Returning Officer must specify the procedure or matter and will act accordingly as long as the procedure or matter does not conflict with anything set out in these Rules. The Returning Officer may use the services of such persons and companies as the Returning Officer deems appropriate, and the Trustees may make reasonable payment for their services from the Trust Fund. In the event of doubt or dispute as to any matter affecting the election, the Returning Officer will resolve the doubt or dispute, and the decision of the Returning Officer will be final and conclusive.
- 6     **Remuneration:** The Returning Officer is entitled to receive such reasonable remuneration and payment of expenses as the Trustees will determine after consultation with the Returning Officer.
- 6     **Perform Duties:** The Returning Officer and every person assisting the Returning Officer will faithfully and impartially perform his or her duties, and must not directly or indirectly:
- (a)             before declaring the Election Results, make known the state of the voting, or give or pretend to give any information by which the state of the voting might be known;
  - (b)             make known for which candidate or candidates any Qualifying Voter has voted; or
  - (c)             give any person any information likely to defeat the secrecy of the voting at the election.

## 7. NOTICE OF ELECTION OF ELECTED TRUSTEES

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- 7     **Notice of Election:** Subject to Rule 12.2(b), not fewer than 55 days but no more than 75 days before the Election Day the Returning Officer must insert an appropriate notice in one or more principal newspapers circulating within the MainPower District, containing the following information, or referring to the website where the following information is available:
- (a)             a general indication of the nature of the election;
  - (b)             the place at which nomination forms may be obtained and to which they must be returned;
  - (c)             the day and time of the Closure of Nominations;
  - (d)             the day and time that will be the Closure of Voting if, under Rule 9.4, a vote is required;

- (e) the number of Trustee Vacancies;
- (f) the full names of the Retiring Trustees;
- (g) the full names of the Retiring Trustees that are deemed to be nominated for re-election; and
- (h) any other information determined by the Returning Officer to be relevant to the election.

## 8. NOMINATIONS

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- 8 Nomination of Candidates:** Subject to Rule 5.5, every nomination of a candidate must be in writing. A Qualifying Voter can nominate himself or herself. Nominations must be in such form as the Returning Officer may decide, but must include:

- (a) the full name and address and signature of the candidate;
- (b) a statement by the candidate that the candidate is not, and to the best of the candidate's knowledge and belief will not be on the Election Day, disqualified from holding office as a Trustee by reason of any of the matters set out in clause 9.5 of the deed; and
- (c) the full name, address and signature of each nominator.

- 8 Deposit:** The Returning Officer must require each candidate (including any Retiring Trustee that is deemed to be nominated for re-election) to pay a deposit of such amount as the Returning Officer considers reasonable. All candidates for any election will be required to pay the same deposit. The deposit must accompany the candidate's nomination form, or, in the case of a Retiring Trustee that is deemed to be nominated for re-election, be payable prior to publication of the notice pursuant to Rule 7.1. The deposit must be refundable to the candidate if the candidate becomes an Elected Trustee under Rules 9.1, 9.2 or 11.4 or if on a vote for the Elected Trustees, the total number of votes received by the candidate is not less than one-quarter of the votes received by whomever of the successful candidates receives the fewest votes. The deposit of a candidate will be forfeited and will become part of the Trust Fund if there is a vote and the total number of votes received by the candidate is less than one-quarter of the votes received by the successful candidate who received the fewest votes.

- 8 Invalid Nomination:** The Returning Officer will be entitled to declare any nomination invalid where:
- (a) on reasonable grounds the Returning Officer has good cause to believe that the candidate is ineligible for election by reason of any of the matters set out in clause 9.5 of the deed;
  - (b) the nomination was not received by the Returning Officer before the Closure of Nominations;

- (c) the nomination form has not been completed correctly by the candidate or any nominator; or
- (d) the candidate or one or both of his or her nominators does not comply with Rule 8.1.

**8 Ineligible Candidate:** The nomination of a candidate will be deemed to have never been made, and the candidate will be ineligible for election, if:

- (a) the nominators withdraw the nomination by notice received by the Returning Officer before Closure of Nominations;
- (b) the candidate withdraws by notice received by the Returning Officer before a result is declared;
- (c) the candidate dies before a result is declared; or
- (d) before a result is declared, the candidate is disqualified from holding office as a Trustee by reason of any of the matters set out in clause 9.5 of the deed.

**8 Closure of Nominations:** Nominations will close on the Closure of Nominations.

## 9. PROCEDURE ON CLOSURE OF NOMINATIONS

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**9 Sufficient Nominations:** If, by the Closure of Nominations, the number of valid nominations of candidates received by the Returning Officer (including the deemed nominations of any Retiring Trustee(s)) equals the number of Trustee Vacancies, the Returning Officer must declare those nominated persons to be elected as Elected Trustees and will then publish the result of the election, or reference to the website on which the results are published, in one or more principal newspapers circulating in the MainPower District.

**9 Insufficient Nominations:** If, by the Closure of Nominations, the number of valid nominations of candidates received by the Returning Officer (including the deemed nominations of any Retiring Trustee(s)) is less than the number of Trustee Vacancies, the Returning Officer must declare those candidates to be elected as Elected Trustees. Those candidates together with the remaining Trustees must then jointly do one of the following:

- (a) **Special Appointment:** fill the vacancies in accordance with the process set out in Schedule 2. The Returning Officer must then declare the appointees to be elected as Trustees;
- (b) **Reduced Number:** if the number of Elected Trustees is then three, the Trustees may in their discretion continue with three Elected Trustees, in which case they will give written notice of this to the Returning Officer who must declare the election to be at an end; or
- (c) **Special Election:** call a Special Election to fill any Trustee Vacancy at a date to be determined by the Trustees provided that, notwithstanding the Trustees calling a Special Election, the election will be at an end.

- 9 **Publish Results:** The Returning Officer must then publish the result of the election (including the appointment(s)), or reference to the website on which the results are published, in one or more principal newspapers circulating in the MainPower District.
- 9 **Excessive Nominations:** If, by the Closure of Nominations, the number of valid nominations of candidates received by the Returning Officer (including the deemed nominations of any Retiring Trustee(s)), exceeds the number of Trustee Vacancies, there must be a vote to decide which of the candidates will become Elected Trustees. The procedure for the vote is set out in Rules 10.1 to 10.6. The procedure for the counting of votes and for declaring the result of the voting is set out in Rules 11.1 to 11.5.

## 10. VOTING

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**10.1 Eligibility to Vote:** Eligibility to vote is as follows:

- (a) subject to Rule 10.1(b), each Qualifying Voter will be entitled to one vote for each entry of that Qualifying Voter's name on the Roll;
- (b) each group of joint Qualifying Voters is entitled to only one vote between them, and anyone in that joint group may exercise the vote of that joint group; and
- (c) a Qualifying Voter that is a company or is another incorporated or unincorporated body (other than a joint Qualifying Voter) or is a local authority is entitled to exercise each of its votes through a representative (who may also be a Qualifying Voter and entitled to exercise a personal vote).

**10.2 Number of Candidates:** Persons who are entitled to vote must not vote for a number of candidates that exceeds the number of Trustee Vacancies, but may vote for fewer candidates than that number.

**10.3 Voting Process:** Subject to Rule 12.2(b), not fewer than 14 days before the Election Day, the Returning Officer must send:

- (a) by email or other electronic means; or
- (b) if there is no recorded email address, by ordinary post,

to every Qualifying Voter:

- (c) an electronic or printed voting paper or access to a website or other electronic address containing:
  - (i) names of all candidates validly nominated, including the names of any Retiring Trustees that are deemed to be nominated for reelection, arranged on the voting paper in random order, such that the order of the names of the candidates is determined randomly or nearly randomly for each voting paper; and

- (ii) appropriate instructions on voting; and
  - (d) notification (which may be on the voting paper) of the day and time of the Closure of Voting; and
  - (e) if forwarded by post, a postage paid return addressed envelope.
- 10.4 Valid Election:** If any Qualifying Voter does not receive a voting paper in accordance with Rule 10.3, the election of Elected Trustees will still be valid.
- 10.5 Invalid Vote:** A vote is invalid and must not be counted if:
- (a) the voting paper is received by the Returning Officer after the Closure of Voting;
  - (b) the Qualifying Voter votes more than once unless authorised to do so by Rule 10.1;
  - (c) on the same voting paper the Qualifying Voter votes for more candidates than the number of Trustee Vacancies;
  - (d) in the opinion of the Returning Officer, the voting paper does not indicate the candidate or candidates for whom the Qualifying Voter intended to vote; or
  - (e) the Returning Officer believes, on reasonable grounds, that the vote was not made on the voting paper that was sent to the Qualifying Voter by the Returning Officer.
- 10.6 1 Internet Voting:** For the avoidance of doubt, the Returning Officer may, with the consent of the Trustees, determine that votes may be cast by way of internet voting, and the Returning Officer may specify the procedure for internet voting, provided that where the Returning Officer determines that votes may be cast by way of internet voting:
- (a) the system and procedures used to accept and process internet votes will not permit any votes to be cast or counted that do not comply with Rules 10.1 and 10.2;
  - (b) the Returning Officer must also accept printed voting papers;
  - (c) the Returning Officer must ensure that no Qualifying Voter is able to cast more than one vote, and must develop protocols in the event that a Qualifying Voter attempts to vote more than once by casting both an internet vote and a postal vote. These protocols must be included with the voting paper sent pursuant to Rule 10.3;
  - (d) the Returning Officer must continue to comply with Rule 10.3 and the electronic or printed voting paper must include clear instructions on both the postal voting and the internet voting procedures; and

- (e) any reference to "voting papers" in Rule 10.5 will be read as a reference to both postal votes and internet votes.

## 11. RESULT OF VOTING INCLUDING COUNTING OF VOTES

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- 11.1 Count:** The Returning Officer, along with such other persons (not being a candidate in the election or a nominator of a candidate in the election) as the Returning Officer may appoint must, as soon as practicable after the Closure of Voting, but in any event not later than seven days after the Election Day, count the valid votes cast for each candidate.
- 11.2 Re-Count:** Before declaring the result of the voting, the Returning Officer may re-count the valid votes as many times as he or she thinks fit.
- 11.3 Successful Candidates:** The candidates who will become Elected Trustees will be the number of candidates equal to the number of Trustee Vacancies, who receive the highest number of valid votes cast in the election. If there is an equality of votes between candidates and the addition of a vote would entitle one of those candidates to become a Trustee, the Returning Officer will determine by lot (in the presence of the candidates whose votes are equal and such other person or persons (if any) as the Returning Officer may decide) which candidate or candidates will be deemed to have been elected as a Trustee.
- 11.4 Results:** After ascertaining which candidates have been elected (which must be within eight days after the Closure of Voting), the Returning Officer must declare the result of the voting including the names of the candidates elected or deemed to be elected. He or she will then publish the results (including the number of valid votes for each candidate), or reference to the website on which the results are published, in one or more principal newspapers circulating in the MainPower District.
- 11.5 Destroy Voting Papers:** After the Election Results have been published, the Returning Officer must decide when to destroy the voting papers but will not destroy the papers within three months after the Election Day.

## 12. SPECIAL ELECTION

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- 12.1 Call Special Election:** As provided by Rule 2.3, the Trustees may call a Special Election at any time to fill a Trustee Vacancy or Trustee Vacancies where:
- (a) the Trustees have agreed that a replacement Elected Trustee or Trustees be elected pursuant to Rule 4.1(b); or
  - (b) the Trustees have agreed to hold a further election pursuant to Rule 9.2(c).
- 12.2 Rules:** Rules 6.1 to 6.6, 7.1, 8.1 to 8.5, 9.1 to 9.4, 10.1 to 10.6 and 11.1 to 11.5 must apply to Special Elections held under Rule 12.1 subject to the following:
- (a) the Trustees will determine the date of the Election Day; and
  - (b) the Trustees will have the discretion to determine the date, dates, time, times or time period for:

- (i) appointment of Returning Officer pursuant to Rule 6.1;
- (ii) notice of election pursuant to Rule 7.1;
- (iii) determining the Qualifying Voters pursuant to Rule 2.2;
- (iv) Closure of Nominations;
- (v) posting voting papers pursuant to Rule 10.3;
- (vi) Closure of Voting,

and for the purposes of a Special Election these Rules must be varied accordingly, and the Trustees will otherwise have the discretion to vary the process for the holding of a Special Election if the Trustees consider it necessary.

### 13. MISCELLANEOUS

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**1** **Remuneration:** All remuneration, costs and expenses in connection with the election  
**13.1** of Elected Trustees will be met from the Trust Fund.

**1** **Variation of Timing Requirements:** The Trustees may vary the timing requirements  
**13.2** set out in this Schedule:

- (a) if they consider (acting reasonably) that to do so would be in the best interests of the Elected Trustee election processes set out in this Schedule; or
- (b) if factors beyond the control of the Trustees disrupt or potentially disrupt the election process.

**1** **Advertisements:** If, in relation to Rules 7.1, 9.1, 9.3 and 11.4, the Returning Officer  
**13.3** no longer considers a newspaper circulating in the MainPower District to be an appropriate form of advertisement, or a newspaper circulating in the MainPower District no longer exists, the advertisements required under Rules 7.1, 9.1, 9.3 and 11.4 must instead be published on the MainPower Foundation's website, or in such other manner as determined by the Returning Officer to ensure reasonable notice to Qualifying Voters.

## SCHEDULE 2

### RULES GOVERNING THE APPOINTMENT OF APPOINTED TRUSTEES

#### 1. INTERPRETATION

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- 1      **Defined Terms:** Terms in these Rules have the same meanings as in the deed, unless otherwise provided or the context otherwise requires.
- 1      **Interpretation:** These Rules will 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 prevail.

#### 2. NUMBER OF APPOINTED TRUSTEES

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- 2      **Number of Trustees:** The number of Appointed Trustees of the MainPower Foundation will be three.

#### 3. VACANCIES

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- 3      **On Retirement:** If an Appointed Trustee ceases to be a Trustee, the remaining Trustees must, as soon as practicable, appoint another person as a replacement for the Trustee in accordance with the process set out in this Schedule 2.

#### 4. APPOINTMENT PROCESS

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- 4      **Selection/Appointment Process of Appointed Trustees:** Subject to this Rule 4.1, the following provisions apply in relation to the appointment and removal of Appointed Trustees:
- (a)      **Appointment by Trustees:** The Board has the power to appoint Appointed Trustees.
- (b)      **Exercise of Appointment Powers:** In exercising the power of appointment under Rule 4.1, the Board must act honestly and in good faith and for a proper purpose and the Board:
- (i)      **Composition and Competencies of Board:** must take into account the skills, knowledge, experience and diversity of the existing Board and a prospective appointee's skills, knowledge, experience and/or other attributes relevant to their ability to contribute to the MainPower Foundation and the Trustees' advancement and achievement of the Trust's Charitable Purposes;
- (ii)      **Other Relevant Factors:** may also take into account any other factors considered relevant to advancing and achieving the Trust's Charitable Purposes; and



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- (iii) **Trustee Skills Matrix:** will develop a skills matrix as a tool to help the Board to determine what skills and competencies are required amongst the Board in their governance of the Trust. The Trustees will ensure that the skills matrix is reviewed at regular intervals.

In all other respects, such power is to be exercised at the discretion of the Trustees.

**4 Selection and Appointment Process:** In relation to the selection and appointment of Trustees in accordance with Rule 4.1:

- (a) **Call for Application:** applications for Appointed Trustee positions may be called for by public advertisement and/or by any other means, as determined by the Board;
- (b) **Eligibility of Candidates:** to be considered by the Board, a candidate must confirm in writing that they are not ineligible to hold office as a Trustee under clauses 9.5 and provide any other information or documents required by the Board;
- (c) **Assessment of Candidates:** all eligible candidates for selection and appointment as Trustees must be assessed by the Board in accordance with Rule 4.1;
- (d) **Board Selection and Trustee Appointment:** the Board is responsible for selecting candidates for appointment as Appointed Trustees. The appointment of an individual selected by the Board to be an Appointed Trustee must then be effected by the Board confirming, and the individual accepting, the appointment in writing (by way of a deed of appointment or otherwise).

**5. PROBITY OFFICER**

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- 5 **Probity Officer:** For each appointment of an Appointed Trustee under this Schedule 2, the Board will appoint a person of recognised professional standing and independence as a probity officer (**Probity Officer**). If the Board is unable to identify a suitable Probity Officer, the Board will make a request to the President for the time being of the Canterbury District Law Society (or its successor body) to nominate a person of recognised professional standing and independence to be appointed as the Probity Officer.
- 5 **Ineligibility:** A Trustee, a director of the Company, or a director of any subsidiary of the Company cannot be a Probity Officer.
- 5 **Replacement Probity Officer:** In the event of the death, incapacity or cessation of office of the Probity Officer, a replacement Probity Officer must be appointed pursuant to Rule 5.1.
- 5 **Role of Probity Officer:** The role of the Probity Officer will be to oversee and validate the integrity of the selection and appointment process pursuant to Rule 4. To the extent that any procedure or matter for appointment of Appointed Trustees is not-

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prescribed by these Rules, the Probity Officer must validate the procedure or matter and the Trustees will act accordingly as long as the procedure or matter does not conflict with anything set out in these Rules. The Probity Officer may use the services of such persons and companies as the Probity Officer deems appropriate, and the Trustees may make reasonable payment for their services from the Trust Fund. In the event of doubt or dispute as to any matter affecting the appointment process pursuant to Rule 4, the Probity Officer will resolve the doubt or dispute, and the decision of the Probity Officer will be final and conclusive.

- 5      Remuneration:** The Probity Officer is entitled to receive such reasonable remuneration and payment of expenses as the Trustees will determine after consultation with the Probity Officer.

## **6. MISCELLANEOUS**

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- 6      Remuneration:** All remuneration, costs and expenses in connection with the appointment of Appointed Trustees will be met from the Trust Fund.

## SCHEDULE 3

### TRANSITION PLAN

#### 1. PURPOSE

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- 1 **Purpose:** The purpose of this Schedule 3 is to ensure, as far as is possible, that the MainPower Foundation is made ready and prepared for a Trigger Event.
- 1 **Review and Restructure of the Board:** A key element of that preparation will be a review and restructure of the composition of the Board.
- 1 **Guidance Only:** The Board should not feel that they are limited in anyway by the content of this Schedule 3 and it is expected that there will be a range of matters for the Board to consider in the time leading up to a Trigger Event.

#### 2. BACKGROUND

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- 2 **Background:** A summary of the background is set out below:
  - (a) **Purpose:** The MainPower Trust established the MainPower Foundation to ensure it was in position to receive a capital distribution from the MainPower Trust.
  - (b) **Incorporation as Charitable Trust Board:** On establishment of the MainPower Foundation, the first Trustees incorporated the MainPower Foundation as a board under the Charitable Trusts Act 1957 but did not register the MainPower Foundation under the Charities Act 2005 because at that time the only asset of the MainPower Foundation was the Initial Fund.
  - (c) **Trustees:** After establishment of the MainPower Foundation, the Trustees of the MainPower Foundation continued to be the same as the trustees of the MainPower Trust from time to time.
  - (d) **Future Distribution:** The Board's pre-planning for a Trigger Event and the composition of the Board would be influenced by the type of assets to be distributed to the MainPower Foundation (i.e. if the distribution included MainPower Shares and cash/investments or wholly cash/investments). It is anticipated that it is more likely than not that, at the Trigger Event, the Company may have been sold.

#### 3. PLANNING CONSIDERATIONS

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- 3 **Planning Considerations:** As soon as practicable after the Board receives notice from the MainPower Trust that a Trigger Event will occur, the Board will enter into a transition period until the Trigger Event (**Transition Period**), during which time the Board will consider the following:
  - (a) **Registration under the Charities Act:**

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- (i) As a priority action, make an application to Charities Services to be registered as a charitable entity under the Charities Act 2005.
  - (ii) The deed requires the Board to regularly review the form and content of the deed to ensure that, when the time comes to lodge the application, the MainPower Foundation will be registered as a charitable entity.
  - (iii) The application process can take time. The Board may also have determined to apply for charitable status irrespective of the timing of a receipt of a distribution from the MainPower Trust.

**(b) MainPower Shares:**

- (i) If the capital distribution comprises MainPower Shares and some cash/investments, the focus of the Board will be on holding the board of the Company to account, to manage the Company appropriately and be in position to pay a dividend that can be used by the MainPower Foundation to fund the Charitable Purposes.
- (ii) The Board's influence over the Company will depend on the size of its shareholding. If it was assumed that the MainPower Foundation received 20% of the capital of the Trust Fund of the MainPower Trust as a distribution, the MainPower Foundation would own 20% of the MainPower Shares, a minority holding.

**(c) Appointment of Replacement Trustees:**

- (i) The deed provides that the Board will:
  - (A) appoint replacement Trustees, including Elected Trustees and Appointed Trustees, appointed in accordance with clause 9.3 and the processes set out in Schedule 1 and Schedule 2, with effect from the Trigger Event; and
  - (B) resign effective on the Trigger Event, but are eligible to be reappointed from the Trigger Event if they are appointed in accordance with clause 9.3 and the processes set out in Schedule 1 and Schedule 2.
- (ii) It is anticipated that once the composition of the distribution from the MainPower Trust is known, that the Board would take such advice as is needed in reviewing the skills and competencies matrix, which would then be used to inform the appointment of the Appointed Trustees to the Board.
- (iii) It is also anticipated that prospective Trustee positions will be advertised with the assistance of a recruitment agency.
- (iv) Without in anyway limiting the skills and competencies needed on

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the Board, it is contemplated that some of the following skills and competencies may be relevant, especially if the distribution comprises of cash/investment and does not include the MainPower Shares:

- (A) knowledge of the charitable/philanthropic sector;
  - (B) knowledge of the history of the Company and the community ownership of the Company;
  - (C) knowledge of investment markets and experience in running or governing large endowment funds;
  - (D) knowledge of the community comprised in the MainPower District;
  - (E) knowledge of iwi, Ngāi Tahu, and Te Tiriti o Waitangi;
  - (F) legal knowledge as it relates to the legal construct of charities and the obligations of Trustees;
  - (G) experience in setting distribution policies and dealing with grant requests;
  - (H) knowledge of the renewable energy sector;
  - (I) knowledge of marketing and communications; and
  - (J) governance expertise.
- (v) The Board will need to develop a charter, strategic plan, underlying business plans and establish the initial board policies and procedures and a governance framework that may also include a number of sub-committees each with their own terms of reference. It may also need to appoint staff.
- (vi) Once the new Trustees are identified, it would be expected that they could work with the existing Board (or a smaller transition group) in the time leading up to the Trigger Event, so the outgoing and incoming Board collaborate on taking the steps necessary to be ready for the distribution from the MainPower Trust, with the new Board taking over on the date of the Trigger Event.
- (vii) If, for whatever reason, the election and appointments process has not been completed by the Trigger Date, the incumbent Trustees will continue until the new Trustees are confirmed.