

THE AUCKLAND CITY COUNCIL
Council

**THE TRUSTEES EXECUTORS AND AGENCY COMPANY
OF NEW ZEALAND LIMITED**
Trustee

TRUST DEED

RUSSELL McVEAGH McKENZIE BARTLEET & CO

BARRISTERS, SOLICITORS & NOTARIES PUBLIC
AUCKLAND & WELLINGTON, NEW ZEALAND

DEED dated 25 February 1999

PARTIES

THE AUCKLAND CITY COUNCIL

THE TRUSTEES EXECUTORS AND AGENCY COMPANY OF NEW ZEALAND LIMITED

INTRODUCTION

- A. The Council has determined to enter into this deed to provide for the constitution and issue of notes.
- B. The Trustee has agreed, at the request of the Council, to act as Trustee of this deed for the benefit of the Holders (as defined in this deed) on the terms and conditions contained in this deed.

COVENANTS

1. INTERPRETATION

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

"Act" means the Local Government Act 1974.

"Agency Agreement" means the registrar and paying agency agreement dated 1 November 1989 pursuant to which the Agent is appointed as registrar, calculation and paying agent for the Notes.

"Agent" means the Reserve Bank of New Zealand, as registrar, calculation and paying agent for the Notes, or any successor agent appointed under the Agency Agreement.

"Approved Issuer Levy" means, in relation to any payment of interest (as defined in section 86F of the Stamp and Cheque Duties Act 1971) under any Note, the levy payable by the Council in accordance with section 86J of the Stamp and Cheque Duties Act 1971, to enable the payment of such interest to be made with a deduction for New Zealand non-resident withholding tax at the rate of zero percent pursuant to section NG2(1) of the Income Tax Act 1994.

"Auditors" means the person or persons for the time being holding the office of auditor of the Council.

"Base Rate" means, in relation to an Interest Period, either:

- (a) the bid settlement rate (rounded upwards, if necessary, to the nearest four decimal places) as displayed at or about 10.45am on the first day of that Interest Period on the Reuters Monitor Screen page BKBM (or its successor page) for bank-accepted bills of exchange having a term approximately equal to that Interest Period; or

- (b) if (but only if) there is no such rate displayed for bank-accepted bills of exchange having that term, then the average (rounded upwards, if necessary, to the nearest four decimal places) of the rates quoted to the Agent by each of the Reference Banks as being its buy rate for such bank-accepted bills at or about that time on that date.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for business in Auckland and Wellington.

"Council" means The Auckland City Council.

"Date of Enforcement" means the date on which the Trustee gives notice to the Council pursuant to clause 12.1 declaring the Outstanding Moneys to have become immediately due and payable.

"Debenture" means the debenture created by the Council on 9 July 1998 in favour of The Trustees Executors and Agency Company of New Zealand Limited as security agent, as amended from time to time.

"Dollars" and **"\$"** means the lawful currency of New Zealand.

"Enforcement Event" has the meaning given to it in the Debenture.

"Event of Default" means any of the events set out in clause 12.1.

"Extraordinary Resolution" has the meaning set out in schedule 2.

"Face Value" means, in relation to a Note, the face or principal amount of that Note, being the amount entered as such in the Register in respect of that Note.

"Fixed Rate Note" means a Note bearing a fixed rate of interest.

"Floating Rate Note" means a Note bearing interest at a margin plus the Base Rate.

"Holder" means, at any time in relation to a Note, the person whose name is for the time being entered in the Register as the holder of that Note at that time.

"Index" means, in relation to a Note, the index (if any) recorded in the Register in respect of that Note by reference to which the Principal Amount of that Note and/or the amount of interest payable in respect of that Note is to be calculated.

"Index-linked Note" means a Note in respect of which either the Principal Amount or the interest payable thereon or both is to be calculated by reference to an Index.

"Interest Payment Date" means, in relation to a Floating Rate Note, the last day of each Interest Period for that Floating Rate Note and, in relation to a Fixed Rate Note, the quarterly, semi-annual or annual dates (as the case may be) fixed at the time of issue of that Note for the payment of interest in respect of that Note and recorded as such in the Register.

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"Interest Period" means, in relation to a Floating Rate Note, a period determined in accordance with clause 4.1(a) in respect of that Note.

"Interest Rate" means, in relation to a Note, the rate of interest (if any) payable in respect of that Note (which may be a fixed rate or a margin plus the Base Rate or a rate calculated by reference to an Index) specified at the time of issue of that Note and recorded as such in the Register.

"Issue Agreement" means, in relation to an issue of Notes at any time, each issue agreement, dealer agreement, placement agreement, subscription agreement, underwriting agreement or any other agreement regulating the issue, subscription and/or placement of those Notes entered into by the Council at or about that time.

"Issue Date" means, in relation to a Note, the date on which that Note is issued, being the date entered as such in the Register in respect of that Note.

"Margin" means, in relation to a Floating Rate Note, the margin specified at the time of issue and entered as such in the Register in respect of that Floating Rate Note.

"Maturity Date" means, in relation to a Note, the date for the repayment of the Principal Amount of that Note, being the date entered as such in the Register in respect of that Note or, if different, the date on which that Note is required to be repaid in accordance with this deed.

"Note" means a note or bond denominated in Dollars constituted and issued by and subject to the terms and conditions set out in this deed.

"NZ GAAP" means generally accepted accounting practice as defined in section 3 of the Financial Reporting Act 1993.

"Outstanding" means, at any time, in relation to a Note, that the Note has not been redeemed or repaid in full by the Council in accordance with this deed at that time.

"Outstanding Moneys" means, at any time, the aggregate Principal Amount of Outstanding Notes at that time together with all interest (including default interest), fees, costs, expenses and all other moneys payable by the Council under this deed, any Related Document or in respect of any Note and outstanding at that time.

"Principal Administrative Officer" means the principal administrative officer (within the meaning of the Act), from time to time, of the Council, and includes any person to whom any right or obligation of such principal administrative officer has lawfully been delegated.

"Principal Amount" means, in relation to a Note, the amount payable on repayment of that Note, determined in the manner set out in clause 3.2.

"Prospectus" means, in relation to an issue of Notes at any time, each prospectus, investment statement, information memorandum, offering circular or other offering document of any kind (whether or not required by the

Securities Act) prepared by, or on behalf and with the approval of, the Council at or about that time in connection with that issue of Notes.

"Record Date" means in relation to a payment due in respect of a Note, the tenth day before the due date for the making of that payment or, if that day is not a Business Day, the preceding Business Day.

"Reference Banks" means ANZ Banking Group (New Zealand) Limited, Bank of New Zealand, The National Bank of New Zealand Limited and Westpac Banking Corporation.

"Register" means the register of the Notes maintained in accordance with the provisions of this deed and the Agency Agreement.

"Related Document" means any Issue Agreement and any Prospectus entered into or prepared from time to time in connection with any issue of Notes.

"Reporting Certificate" means a certificate in the form that appears in the schedule 3 or in such other form as the Council and the Trustee may agree.

"Secured Money" has, at any time the meaning given in the Debenture at that time.

"Securities Act" means the Securities Act 1978.

"Security Certificate" has the meaning set out in the Debenture.

"Trustee" means the trustee or trustees for the time being holding office as trustee under this deed, which at the date of this deed is The Trustees Executors and Agency Company of New Zealand Limited.

"Zero Coupon Note" means a Note in respect of which no interest is payable issued or to be issued by the Council at a discount to its Face Value.

1.2 **Construction:** Except to the extent that the context otherwise requires, any reference in this deed to:

the **"assets"** of any corporation shall be construed as a reference to the whole or any part of its business, undertaking, property, assets and revenues, present or future, including uncalled capital and called but unpaid capital, present and future.

an **"authorisation"** includes:

- (a) any consent, authorisation, registration, filing, agreement, notarisation, certificate, permission, licence, approval, authority or exemption from, by or with a governmental agency; or
- (b) in relation to anything which will be proscribed or restricted in whole or part by law if a governmental agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without such intervention or action.

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a "clause" or "schedule" is a reference to a clause of, or a schedule to, this deed.

a "company" means any company or body corporate wherever incorporated or domiciled and, where the context so admits, includes an individual.

"this deed" includes each Note constituted by and issued under this deed.

a "directive" includes any present or future directive, regulation, request, requirement, voluntary credit restraint programme or notification by any means or a change in interpretation or application of any law by any governmental agency (in each case having the force of law).

the "dissolution" of any person includes the bankruptcy, winding-up or liquidation of that person, and any equivalent or analogous procedure under the law of any jurisdiction in which that person is incorporated, domiciled or resident or carries on business or has assets.

a "governmental agency" includes any government or any governmental, semi-governmental or judicial entity or authority, or legislative body, or any person or body charged with the administration of any law.

"indebtedness" includes any obligation (whether present or future, actual or contingent, secured or unsecured, as principal or surety or otherwise) for the payment or repayment of money.

"month" means calendar month.

"owing" includes unpaid.

"person" includes an individual, firm, company, corporation or unincorporated body of persons, organisation or trust, and any state, government or governmental agency, in each case whether or not having a separate legal personality.

"written" and "in writing" includes all means of reproducing words in a tangible and permanently visible form.

1.3 Miscellaneous:

- (a) Words defined in the Securities Act shall, subject to the foregoing definitions and except where otherwise expressly provided in this deed, have the same meanings in this deed.
- (b) The introduction to, and headings in, this deed, are inserted for convenience only and shall be ignored in construing this deed.
- (c) Unless the context otherwise requires words denoting the singular number only shall include the plural and vice versa and words denoting any gender shall include all genders.
- (d) References to any legislation or to any provision of any legislation shall be deemed to be references to that legislation or provision as from time to time amended, re-enacted or substituted and, unless otherwise stated, to New Zealand legislation, and, unless the context

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otherwise requires, shall also include any statutory instruments issued under any such legislation or provision.

- (e) References to any document (however described) shall include references to such document as modified, novated, supplemented, varied or replaced from time to time.
- (f) The schedules to this deed and the provisions contained therein shall have the same force and effect as if they were set out in the body of this deed.
- (g) References to money shall, unless the contrary is stated, be deemed to be references to New Zealand currency.
- (h) Anything which may be done at any time may also be done from time to time.

1.4 **Council Powers:** Subject to the Act and the Public Bodies Contracts Act 1959, where this Deed confers any right or obligation on the Council, the right or obligation may be exercised under delegated authority from the Council by any committee or sub-committee, member or officer of the Council.

1.5 **Decisions:** Except to the extent the Trustee cannot by law do so or such action is, in the reasonable opinion of the Trustee, contrary to generally accepted prudent practice or is directed otherwise by an Extraordinary Resolution, the Trustee shall act reasonably as regards the Council in respect of any consent, approval, discretion, consideration, decision, opinion, determination or action (collectively referred to in this clause 1.5 as a "decision") by it in respect of, or pursuant to, this deed unless this deed expressly provides for some other basis for the exercise of such decision by the Trustee.

2. ISSUE, FORM AND STATUS OF NOTES

2.1 **Issue and creation:** Notes may be issued by the Council pursuant to this deed at the times, in the quantities, to the persons and at the prices from time to time determined by the Council. Without limitation, Notes may be issued on terms such that the Principal Amount is a fixed amount or an amount to be calculated by reference to an Index and/or that interest (if the Note is interest-bearing) will be calculated by reference to a specific interest rate (which may be a fixed rate or a margin plus the Base Rate) or by reference to an Index or both. Each Note shall be issued and created by entering in the Register the particulars of that Note, substantially as specified in schedule 1. The Notes shall be held subject to the provisions contained in this deed all of which shall be binding upon the Council and the Holders and all persons claiming through or under them respectively.

2.2 **Application:** The terms and conditions of this deed shall apply in respect of all notes or bonds issued by the Council after the date of this deed in respect of which the Council states (whether in a prospectus or other offering document, in any agreement or otherwise in writing) that those notes or bonds are intended to be created by and subject to this deed.

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2.3 Form of Notes: Each Note shall:

- (a) be in uncertificated book entry form;
- (b) have a Face Value which is a minimum of \$5,000 and a multiple of \$100, or such other amounts as the Council may determine; and
- (c) have a tenor of one year or longer.

2.4 Security: Each Note is intended to be issued with the benefit of the security created by the Debenture. On or before the first issue by the Council of any Note, the Council shall issue to the Trustee a Security Certificate under the Debenture in such terms so as to ensure that the Debenture will secure all present and future obligations of the Council under this deed or in respect of any Note issued or to be issued under this deed. The Council and the Trustee acknowledge that upon such issue of a Security Certificate the Trustee will hold the benefit of the security created under the Debenture to which it will thereby become entitled for itself and as trustee for the Holders under and in accordance with this deed. For the avoidance of doubt, the Council acknowledges and agrees that nothing in clause 2.11 of the Debenture restricts the right of the Trustee to declare the Notes due and payable prior to their maturity in accordance with the provisions of this Deed.

2.5 Status: The Council undertakes to the Trustee and to the Holders that its indebtedness under this deed and in respect of the Notes ranks and will at all times rank *pari passu* with the Secured Money.

2.6 Notices of registration: At the request of a Holder, the Council will procure the Agent to issue to that Holder a notice of registration in relation to the Notes held by that Holder, such notice to be in a form agreed between the Council and the Agent. Any notice of registration issued in respect of a Note does not constitute a document of title. Entitlement to a Note will be determined solely by entry in the Register.

3. COVENANT TO PAY

3.1 Covenant to pay:

- (a) The Council hereby acknowledges its indebtedness to the Trustee in respect of the Principal Amount outstanding from time to time in respect of the Notes and (where applicable) interest thereon, whenever such Notes are issued, and shall pay the Principal Amount of the Notes to the Trustee, as and when due, in the currency and manner in which the same is payable, at such place as the Trustee shall by notice in writing direct and until such payment, if any Notes are interest bearing, the Council shall pay to the Trustee interest on those Notes in the currency and manner in which such interest is payable in accordance with the terms and conditions of issue of those Notes.
- (b) Notwithstanding the provisions of clause 3.1(a), the Council shall, unless and until otherwise requested by the Trustee or prevented by law, pay the Principal Amount and (where applicable) all interest in respect of the Notes to the Holders in accordance with the terms and

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conditions of issue of the Notes and each such payment shall operate as payment to the Trustee in satisfaction, to the extent of the payment, of the indebtedness acknowledged in this clause.

- 3.2 **Principal Amount:** The Principal Amount of each Note shall be the amount recorded as such in the Register in respect of that Note, which may be the Face Value or the amount calculated by the Agent by reference to the formula recorded in the Register in respect of that Note.
- 3.3 **Validity of Notes:** No Holder shall be concerned or obliged to enquire whether any Note has been issued in contravention of any provision of this deed. All Notes issued for valuable consideration shall be deemed to be validly issued and constituted by this deed and entitled to the benefit of the provisions of this deed notwithstanding that it may subsequently be determined that the issue of such Notes was in breach of any provision of this deed, but without prejudice nevertheless to the Trustee's rights under or pursuant to this deed against the Council in relation to such breach.
- 3.4 **Exclusion of equities:** Every Holder shall be recognised by the Council as entitled to the Notes held by that Holder, and to the moneys payable in respect of such Notes, free from any equity, set-off or cross-claim between the Council and any prior holder thereof.
- 3.5 **Purchase of Notes:** The Council may at any time purchase any Note, on any market or by private treaty, at any price.
- 3.6 **Cancellation or reissue of Notes:** Notes purchased by the Council may be cancelled by the Council and if not so cancelled may be reissued by the Council.
- 3.7 **Enforcement of Holders' rights:** No Holder shall be entitled to enforce any of that Holder's rights or remedies hereunder in respect of any Note directly against the Council unless the Trustee fails to enforce such rights or remedies after having become bound to do so in accordance with the provisions of this deed.

4. PAYMENT OF INTEREST

4.1 Floating Rate Notes:

- (a) **Interest Periods:** Each Interest Period in relation to a Floating Rate Note shall be a period of one, two, three or six months' duration (as specified by the Council at the time of issue of that Floating Rate Note and entered in the Register) and:
- (i) the first Interest Period will commence on the Issue Date and each subsequent Interest Period will commence on expiry of the previous one;
 - (ii) if an Interest Period would otherwise end on a day which is not a Business Day it will be extended to the next Business Day; and

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(iii) if the final Interest Period would otherwise extend beyond the Maturity Date it will end on the Maturity Date.

(b) **Payment:** The Council shall pay interest on a Floating Rate Note for each Interest Period at the rate per annum equal to the aggregate of the Base Rate for that Interest Period (as determined by the Agent) and the Margin (where applicable) for that Floating Rate Note. Interest shall be calculated on the Principal Amount of the Floating Rate Note, on the basis of the number of days in the relevant Interest Period and a year of 365 days. Interest shall accrue from day to day and shall be paid to the Holder in arrears on the Interest Payment Date for that Interest Period.

4.2 **Fixed Rate Notes:** The Council shall pay interest on each Fixed Rate Note at the Interest Rate for that Fixed Rate Note. Interest shall be calculated on the Principal Amount of that Fixed Rate Note and shall be payable in arrears in equal quarterly, semi-annual or annual instalments on each Interest Payment Date for that Fixed Rate Note.

4.3 **Index-linked Notes:**

(a) The Council shall pay interest on an Index-linked Note in accordance with the formula or at the Interest Rate (as the case may be) recorded in the Register in respect of that Index-linked Note.

(b) In the case of an Index-linked Note for which the Principal Amount is calculated by reference to an Index, the Principal Amount on each Interest Payment Date (for the purposes of calculating the amount of interest payable by the Council on that Interest Payment Date) shall be determined in accordance with the formula recorded in the Register in respect of that Index-linked Note.

4.4 **Non-payment:** Each Note will cease to bear interest from its Maturity Date unless payment of the Principal Amount is improperly withheld or refused. In such event, interest will continue to accrue (after as well as before any judgment) up to but excluding the date on which payment in full of the Principal Amount is made.

4.5 **Default interest:** If any amount payable in respect of a Note is not paid on its due date interest will accrue on the unpaid amount at the rate determined by the Agent to be the aggregate of 2% and the Base Rate which would apply to an Interest Period of one month on the due date and reset at monthly intervals until the unpaid amount is actually paid (after as well as before judgment) compounded monthly until paid.

5. REGISTER

5.1 **Register:** The Council must at all times while Notes are Outstanding maintain or cause the Agent to maintain the Register, which must record in respect of each Note (to the extent applicable) the information specified in schedule 1.

5.2 **Register paramount:** Except as ordered by a court of competent jurisdiction, the Council and the Agent are each entitled to recognise the Holder as the

absolute owner of the relevant Note and will not be bound by notice of any trust (express, implied or constructive) to which any Note may be subject. No notice of any trust (express, implied or constructive) will be entered on the Register. In the event of any conflict between any notice of registration issued in respect of a Note and the Register, the Register will prevail.

5.3 **Correction of errors:** The Agent may, on such evidence as appears to it to be sufficient, correct errors and remedy omissions in the Register.

5.4 **Co-ownership of Notes:**

(a) Where two or more persons are registered as Holders of the same Note(s) by virtue of any application for Notes, memorandum of transfer or other instrument, then, unless the contrary is expressed in the application, memorandum, or other instrument, the persons will be deemed to hold the Note(s) as joint tenants with right of survivorship.

(b) If two or more persons apply, whether on application for the Notes or by memorandum of transfer, to be registered as Holders as tenants in common, the Agent may, after notifying the persons of its intention to do so, divide the Notes into parcels which represent each such person's share. If the Notes cannot be divided into shares each of which share would comply with clause 2.3(b), the Agent may refuse to accept the application or memorandum of transfer as the case may be.

5.5 **Acquisition of Notes by operation of law:** When the right to any Note is acquired by any person on the death or bankruptcy of the relevant Holder, or under a writ of execution, or in any manner other than by way of a transfer under this deed, the Agent, on application by or on behalf of that person and on being satisfied that such person is legally entitled to be registered as the Holder of that Note, will enter that person's name in the Register as the Holder of that Note accordingly.

5.6 **Disclosure:** The Agent must disclose to a Holder who so requests, any information held on the Register which relates to the Note(s) that that Holder is registered as holding.

5.7 **Inspection:** The Trustee, its agents and any Holder (in relation to its holding only) may at all times inspect the Register and take copies of and extracts from the Register without payment of any fee.

5.8 **Closure of Register:** The Council may from time to time close the Register for any period or periods not exceeding 30 days in total in any year provided that the right of the Trustee or its agents to inspect the Register under clause 5.7 shall not be prejudiced by such closure.

6. PAYMENTS AND TRANSFERS

6.1 **Payment to Holder:** Payment of the Principal Amount of, and interest (if any) on, a Note (less any amount required to be deducted pursuant to clause 7) will be made in immediately available funds for value on the date of payment to the person whose name appears in the Register as the Holder of the Note on

the Record Date in respect of the relevant payment. If more than one person is named in the Register, payment will be made to the first person so named.

6.2 **Method of payment:** A Holder may, by written notice to the Agent, request the Agent:

- (a) to make payments in respect of any Note held by it to a specified bank account; or
- (b) to hold payments in respect of any Note held by it at the office of the Agent for collection by that Holder (and any such payment so held will not accrue interest),

and may at any time cancel or amend any notice so given. No such notice, or cancellation or amendment of a notice, will have effect in respect of any payment unless received by the Agent on or before the Record Date for that payment. In the absence of any such notice, payments in respect of each Note will be made by posting a cheque to the address of the relevant Holder appearing in the Register on the relevant Record Date. Any notice given pursuant to this clause will be deemed to be automatically cancelled upon transfer of all or part of a Note.

6.3 **Business Day:** If any Interest Payment Date or the Maturity Date of a Note is not a Business Day, the due date for the payment to be made on that date will be the next following Business Day and all other provisions of this deed and the Agency Agreement will be read and construed accordingly.

6.4 **Unclaimed payments:** If any payment made by the Council to any Holder at its address last entered in the Register is returned unclaimed the amount concerned will (unless the Council has in the meantime received notice of a change of address to be entered in the Register) be retained by the Agent to be held by it for the Holder concerned without any liability to invest or pay interest on that amount. Any money not claimed within a period of six months from the original date of payment must be returned to the Council. The Council will have no liability in respect of the amount concerned if it remains unclaimed six years after the original date for payment.

6.5 **Reinstatement:** If any payment made to a Holder by, or on behalf of, the Council is avoided by law, that payment will be deemed not to have discharged or affected the liability of the Council in respect of which that payment was made. In that event the relevant Holder and the Council will be restored to the position in which each would have been, and be entitled to exercise all the rights which each would have had, if such payment had not been made.

6.6 **Transfer:** Title to a Note may be transferred by a transfer in any usual or common form signed by the transferor and the transferee and produced to the Agent. The Agent will thereupon record the name and address of the transferee in the Register.

6.7 **Partial Transfers:** A Holder may transfer part only of its interest in a Note. However, no transfer of its interest may be effected if such transfer would result in the vendor or purchaser holding or continuing to hold Notes of the same Maturity Date with an aggregate Face Value of less than \$5,000 or not of

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a multiple of \$100 or (in each case) such other amount as the Council may determine.

6.8 **Fees:** The Council and the Agent shall make no service charge to the Holders for:

- (a) the registration of any holding of Notes; or
- (b) the transfer of registered title to Notes.

The Council and the Agent may, however, require the payment by the transferor of any taxes and other governmental charges payable as a result of the transfer.

6.9 **Persons entitled on death of Holder:** The executors or administrators of a deceased Holder (not being one of several joint Holders), and in the case of the death of one or more of several joint Holders, the survivor or survivors of such joint Holders, shall be the only persons recognised by the Council as having any title to or interest in such Notes provided that if that Holder, having sold any or all of the Notes registered in the name of that Holder, had delivered to the transferee a transfer of the Notes so sold, signed by the Holder, but such transfer had not been registered before the death of the Holder the Council may, subject to compliance by the transferee with the conditions as to transfer contained in this deed, register that transfer notwithstanding that the Council has notice of that Holder's death.

6.10 **Transmission on death or bankruptcy:** Any person becoming entitled to any Notes in consequence of the death or bankruptcy of any Holder may, upon producing such evidence that the person sustains the character in respect of which he or she proposes to act under this condition or of his or her title as the Council deems adequate, be registered as the holder of such Notes or, subject to compliance with the conditions set out in this deed, may transfer such Notes.

6.11 **Joint Holders:** If several persons are entered in the Register as joint holders of any Notes then, without prejudice to clause 6.1, the receipt of any one of such persons for any amount from time to time payable on or in respect of such Notes shall be as effective a discharge to the Council as if the person signing such receipt were the sole registered holder of such Notes.

6.12 **Details of Holders:** Every Holder will designate to the Agent an address, and may, at their election, designate a bank account into which payments under or in respect of the Notes are to be made, in each case within New Zealand, and the address and account (if any) so designated will be the address and account of such Holder for all purposes of this deed. Any change of name or address, or account to which payments are to be made, of a Holder must forthwith be notified in writing to the Agent, accompanied by such evidence of such change as the Agent may reasonably require, and the Register will be amended accordingly. Every Holder must give notice to the Agent of its residency for taxation purposes (if different from the address provided under this clause 6.12).

6.13 **Reliance on documents:** The Agent, the Trustee and the Council will be entitled to accept the authenticity and genuineness of any transfer form or

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other document (including any notification of the information referred to in clause 6.12) and will not incur any liability for registering any transfer form which is subsequently discovered to be a forgery or otherwise defective, unless such person had actual notice of such forgery or defect at the time of registration of such transfer.

7. TAXES

7.1 **Deductions or withholdings:** All sums payable under a Note or under this deed must be paid:

- (a) free of any restriction or condition;
- (b) free and clear of and (except to the extent required by law or as provided for in this section 7) without any deduction or withholding on account of any taxes; and
- (c) without deduction or withholding on account of any other amount whether by way of set-off or otherwise (except as provided in clauses 7.2 and 7.3).

7.2 **NRWT:** New Zealand non-resident withholding tax will be deducted from payments of interest (or payments deemed by law to be interest) to Holders who are not resident in New Zealand for taxation purposes and who are not engaged in business in New Zealand through a fixed establishment in New Zealand. Unless otherwise stated in the information memorandum or prospectus relating to any Notes, if the Council is lawfully able to pay Approved Issuer Levy in respect of any payment of interest (or deemed interest) to a non-resident Holder, the Council, or the Agent on its behalf, shall pay the Approved Issuer Levy to the appropriate authority and shall deduct the amount paid from the interest (or deemed interest) payable to that Holder in lieu of deducting New Zealand non-resident withholding tax from that payment at the rate otherwise applicable.

7.3 **RWT:** New Zealand resident withholding tax will be deducted from payments of interest (or payments deemed by law to be interest) to Holders who are resident in New Zealand or who are engaged in business through a fixed establishment in New Zealand unless an appropriate exemption certificate is produced to the Agent on or before the Record Date for the relevant payment.

7.4 **No gross-up:** The Council will not be required to and will not make any additional payment by way of gross-up or otherwise with respect to the deduction or withholding from any payment made in respect of the Notes pursuant to clause 7.2 or 7.3. If, in respect of any Note, the Agent or the Council becomes liable to make any payment of, or on account of, tax payable by any Holder, then the Agent and the Council shall be indemnified by the relevant Holder in respect of such liability. Any moneys paid by the Agent or the Council in respect of such liability may be recovered from the Holder as a debt due to the Agent or the Council and may be withheld from any further payments (if any) to that Holder. Nothing in this clause will prejudice or affect any other right or remedy of the Agent or the Council.

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7.5 **Maximum rate:** Deductions of non-resident or resident withholding tax will be made at the maximum rates from time to time applicable unless a Holder provides evidence to the Council or the Agent that a lesser rate is applicable.

7.6 **Approved Issuer Levy:** The Council will:

- (a) apply for and use its best endeavours to maintain its status as an "approved issuer" as defined in section OB1 of the Income Tax Act 1994 and ensure that this Trust Deed and each issue of Notes to be made under it is registered with the Commissioner of Inland Revenue under section 86H of the Stamp and Cheque Duties Act 1971; and
- (b) make all payments of approved issuer levy (as defined in section 86F of the Stamp and Cheque Duties Act 1971) in respect of all interest paid to a Holder under this deed or in respect of any Note in accordance with section 86K of that Act.

7.7 **Stamp Duty and Other Taxes:** The Council will pay on demand all stamp duty and other issue and documentary taxes payable in respect of the creation, issue and offering of the Notes and the execution and delivery of this Deed and any Related Document. The Council will also indemnify the Holders from and against all stamp duty, issue, registration, documentary and other similar taxes in connection with any action taken by or on behalf of the Holders to enforce the obligations of the Council under this deed or the Debenture.

8. **SELLING RESTRICTIONS:**

8.1 **Selling restrictions:** Notes may only be offered for sale or sold in conformity with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered. No Prospectus in respect of any Notes may be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations. By its purchase of Notes, each Holder agrees to indemnify the Council in respect of any loss, cost, liability or expense sustained or incurred by the Council as a result of the breach by that Holder of the restrictions contained in this clause.

9. **REPRESENTATIONS AND WARRANTIES**

9.1 **Representations and warranties:** The Council represents and warrants that:

- (a) **Status:** it is a city council duly constituted as a territorial authority under the Act;
- (b) **Power and authority:** it has:
 - (i) the power and authority to own its assets and to carry on its business as, and in such place or places as, it is now being conducted;
 - (ii) the power to enter into, and exercise its rights and perform and comply with its obligations under this deed; and

(iii) taken all necessary action to authorise the entry into, and the performance of all its obligations under, this deed;

(c) **Obligations:** this deed constitutes its legal, valid and binding obligations, enforceable in accordance with its terms, subject to applicable bankruptcy, re-organisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject also (as to enforceability) to equitable principles of general application, regardless of whether enforcement is sought in a proceeding in equity or at law;

(d) **No laws violated:** neither its entry into this deed, nor the exercise of any right or the performance or observance of any obligation under this deed, nor any transaction contemplated hereby, will:

(i) violate or contravene any law to which it is subject; or

(ii) cause any limitation on any of its powers, or on the right or ability of its officers to exercise those powers, to be exceeded;

(e) **Consents and other authorisations:** all consents and other authorisations required by it in connection with this deed, and the transactions contemplated by this deed, have been obtained or effected and are in full force and effect;

(f) **No default:** no Event of Default has occurred and remains unremedied or will result from the issue of a Note; and

(g) **Financial statements:** the most recent consolidated financial statements of the Council comply with the requirements of NZ GAAP, consistently applied except to the extent disclosed in those financial statements, and (except as disclosed in writing to the Trustee) there has been no material adverse change in the financial condition of the entities to which those financial statements relate (taken as a whole) since the date as at which those financial statements were prepared.

9.2 **Repetition:** The representations and warranties contained in clause 9.1 will be deemed to be repeated by the Council on each Issue Date for the benefit of the relevant Holder(s) only by reference to the facts and circumstances then existing.

10. UNDERTAKINGS

10.1 **Undertaking:** The Council undertakes with the Trustee and the Holders as follows:

(a) **Agency Agreement:** it will maintain an Agent and comply with and perform all its material obligations under the Agency Agreement and use all reasonable endeavours to ensure that each Agent also does so;

(b) **Debenture:** it will comply with all its obligations under the Debenture;

(c) **Compliance with laws:** it will:

and

- (i) duly comply with all the requirements of the Act with respect to the keeping and filing of reports, accounts and statements and registration of charges; and
- (ii) without limiting clause 10.1(c)(i), promptly comply in all material respects with and observe all laws (including the Act) and all requirements and orders of any governmental agency;
- (d) **Records:** procure that the accounting documents (within the meaning of section 223H(3) of the Act) and other records of the Council are audited in accordance with the Public Finance Act 1977 and are (subject to section 122ZM(2)(f) of the Act) at all reasonable times (whether kept at its principal office or any other place or places in New Zealand) open for inspection by the Trustee and any Holder, or any person properly appointed by the Trustee or any Holder; and
- (e) **Notify Event of Default:** notify the Trustee immediately in writing of the occurrence of any Event of Default or any Enforcement Event or any event which, with the passing of time or the giving of notice or both, would constitute such an event, giving full details of any action that has been taken (or is to be taken) as a result.

11. REPORTS AND INFORMATION FOR TRUSTEE

11.1 Reports: The Council must deliver to the Trustee:

- (a) **Annual Plan and Annual Report:** as soon as each are adopted by the Council within the terms of sections 223D, 223E, 122K and 122R of the Act respectively, and in any event within 20 Business Days of such adoption, a copy of the Annual Plan and Annual Report for the forthcoming, and previous, financial years respectively and (where not already delivered to the Trustee) the most recent Long-term Financial Strategy and Borrowing Management Policy (within the meaning of those sections, in each case whether or not incorporated in any other document);
- (b) **Variations in Policy:** as soon as the Council has approved and adopted any material variation in either the Annual Plan, Long-term Financial Strategy or Borrowing Management Policy (but, for the avoidance of doubt, not its treasury management policy), details of that variation; and
- (c) **Reporting Certificate:** at the same time as it furnishes its Annual Report under clause 11.1(a), and within 35 days of receipt of a written request by the Trustee (which request may only be made where the Trustee certifies that it has reasonable grounds to believe that the Council is not complying with its obligations under this Deed), deliver to the Trustee a completed and signed Reporting Certificate;
- (d) **Information on Request:** on request by the Trustee, any other information reasonably required by the Trustee with respect to matters relating to the accounting documents (within the meaning of

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section 223H(3) of the Act)) of the Council, other records of the Council and to the financial condition of the Council.

11.2 **Auditors' report:** The Council must provide to the Trustee at the same time as it provides copies of its audited Annual Report pursuant to clause 11.1 a separate report by the Auditors stating:

- (a) whether or not in the performance of their duties as Auditors they have become aware of any matter which, in their opinion, is relevant to the exercise or performance of the powers or duties conferred or imposed on the Trustee by this deed or the Securities Act or by law, and if so giving particulars thereof;
- (b) whether or not their audit has disclosed any matter, and if so giving particulars thereof, calling (if any) in their opinion for further investigation by the Trustee in the interests of the Holders;
- (c) that they have perused the certificates (if any) given on behalf of the Council pursuant to clause 11.1(c) since their last report and that so far as matters which they have observed in the performance of their duties are concerned the statements made in such certificates are correct;
- (d) whether or not the Council or its agents (including the Registrar) have maintained the Register in accordance with the provisions of this Deed; and
- (e) where the Securities Act applies in respect of any Notes:
 - (i) provide the Trustees with a copy of any report, financial statement or certificate which the Auditors have issued in respect of the Council;
 - (ii) on request of the Trustee provide to the Trustee all information requested and within the Auditors' knowledge relating to the Council relevant to the exercise of the Council's rights and duties in respect of this Deed.

11.3 **Furnish Copy of Register:** Provided the Register is not closed at the relevant time, furnish upon request to the Trustee a copy of the Register.

12. DEFAULT

12.1 **Events of Default:** If any of the following occurs, whether or not within the control of the Council:

- (a) **Non-payment:** the Council fails to pay:
 - (i) the Principal Amount of any Note in the manner required within two Business Days of its due date or any interest in respect of any Note in the manner required within seven Business Days of its due date (or, in each case, within two Business Days after the Council receives notice of non-payment where non-payment within such time has arisen

solely by reason of a technical, computer or similar error outside the control of the Council); or

- (ii) any other amount due under this deed in the manner required within 30 days after its due date; or
- (b) **Other breach:** the Council commits any material breach of, or omits to observe in a material way, any of its undertakings or obligations under this deed (other than those referred to in clause 12.1(a)) or any Related Document and, in respect of any such breach or omission which is capable of being remedied, such breach or omission is not remedied within 30 days of the Council becoming aware of that breach or omission; or
- (c) **Misrepresentation:** any representation, warranty or statement made or deemed to be repeated by the Council in this deed or any Related Document is or was untrue or incorrect in any material respect when made, deemed repeated or delivered; or
- (d) **Enforcement Event:** the security created by the Debenture becomes enforceable in accordance with its terms; or
- (e) **Withdrawal of consent or authorisation:** any consent or other authorisation at any time necessary in connection with this deed, or the implementation or performance hereof, expires or is revoked, cancelled, withdrawn, or modified in a manner unacceptable to the Trustee or otherwise ceases to remain in full force and effect and is not replaced by an authorisation acceptable to the Trustee within 30 days of the Council becoming aware of that expiration, revocation, cancellation, withdrawal or modification; or
- (f) **Receiver, etc:** an encumbrancer takes possession, or a receiver, receiver and manager, administrator, inspector under any securities legislation, or commission or commissioner under the Act is appointed in respect of the Council, or a substantial part of the Charged Assets of the Council, unless, in each case, the Council demonstrates to the satisfaction of the Trustee (acting on the instructions of an Extraordinary Resolution of Holders) that such appointment or taking of possession will not have a material adverse effect on the ability of the Council to meet its payment obligations under this deed; or
- (g) **Statutory management:** the Council becomes subject to a recommendation to appoint a statutory manager by the Securities Commission under the Corporations (Investigation and Management) Act 1989 in respect of the Council; or
- (h) **Invalidity of documents:** any material provision of this deed or any Related Document:
 - (i) ceases to have effect in whole or in part, other than by performance or as permitted by its terms; or
 - (ii) becomes wholly or partly void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving

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any of its rights or the performance of any such provision becoming illegal),

or the Council or any duly authorised person on its behalf makes any allegation or claim to that effect; or

- (i) **Change in Law:** the enactment of or any change in any law or directive, by any governmental agency, occurs which will have a material adverse effect on the ability of the Council to perform its payment obligations when due under this deed, or
- (j) **Resolution to Repudiate Payment Obligation:** the Council passes at a duly convened Council meeting a formal resolution to repudiate its payment obligations under this deed, and the passing of such resolution would result in the occurrence of an Event of Default under clause 12.1(a),

then at any time thereafter, provided that event is continuing unremedied, the Trustee may in its discretion, and shall if directed to do so by an Extraordinary Resolution, declare all (but not some only) of the Outstanding Moneys to be immediately due and payable by notice in writing to the Council.

12.2 Payments on acceleration: If the Trustee makes a declaration under clause 12.1, then the Council shall immediately pay to each Holder:

- (a) in the case of Notes which are interest bearing, the Principal Amount of the Note together with accrued interest thereon at the applicable Interest Rate calculated on a daily basis from the last Interest Payment Date on which interest was actually paid in respect of that Note, or if no interest has been paid in respect of that Note, from the Issue Date to the date of payment; and
- (b) in the case of Notes which are not interest bearing, the net present value, as at the date of declaration, of the Principal Amount of the Note determined by discounting the Principal Amount at the discount rate used to determine the purchase price for the relevant Note at the time of its issue.

12.3 Trustee's powers on enforcement: At any time after the Outstanding Moneys become due and payable pursuant to clause 12.1 the Trustee may in its discretion, and shall forthwith (upon being directed to do so by an Extraordinary Resolution) institute and pursue all such proceedings or other legal actions, execute any judgments obtained, compromise and effect compositions, and exercise all such other rights or remedies available at law, as the Trustee may think fit, and for any of the purposes aforesaid may do all such other things as the Trustee may think fit to enforce payment of the Outstanding Moneys.

12.4 No obligation to advise event of default: The Trustee shall not be under any obligation to advise any Holder of any occurrence of the nature specified in clause 12.1, or to convene any meeting of Holders, unless in the Trustee's opinion the occurrence is materially prejudicial to the interests of the Holders of the Notes generally.

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- 12.5 **Irremediable events of default:** For the purposes of clause 12.4, the Trustee may determine whether or not a default in the performance or observance by the Council of any obligation under this deed or any Related Document is, in its opinion, materially prejudicial to the interests of the Holders and any such determination shall be conclusive and binding upon the Council and the relevant Holders.
- 12.6 **Distribution of funds:** All moneys received by the Trustee from the Council on or after the Date of Enforcement shall (subject to payment or provision for any debts or liabilities having priority to the Outstanding Moneys) be held and applied:
- (a) **First** (subject to any direction made by any court), in payment or retention of all costs, charges, expenses and liabilities incurred and payments made by or on behalf of the Trustee under the provisions contained in this deed and of all remuneration payable to the Trustee hereunder, with interest thereon as herein provided;
 - (b) **Secondly**, in or towards payment to the Holders, *pari passu* in proportion to the amounts actually or contingently owing to them; and
 - (c) **Thirdly**, subject to the rights of any other creditors, in payment to the Council or as it shall direct of the surplus (if any) of such moneys.
- 12.7 **Payment of principal before interest:** If the Trustee considers it expedient in the interests of Holders or if the Holders by Extraordinary Resolution so direct, payments may be made on account of principal before interest or the whole of the interest has been paid, but such alteration in the order of payment shall not prejudice the right of Holders to receive the whole amount to which they would have been entitled if the ordinary order of payment had been observed.
- 12.8 **Trustee's powers to postpone distribution:** If the moneys at any time available under clause 12.7 for payment of principal are less than 10% of the Outstanding Moneys the Trustee may, in its discretion, invest those moneys and such investments and the income therefrom may be accumulated until the accumulations and any other available funds amount to a sum sufficient to pay 10% of the Outstanding Moneys.
- 12.9 **Notation of payment by Trustee:** Upon any payment under any of the provisions of clause 12.7 on account of the Notes the Trustee must promptly notify the Agent of the amount of the payment and the Notes to which it relates (if the payment relates to some only of the Notes) and the Agent will amend the Register accordingly.
- 12.10 **Power to call for and rely on certificates and extracts:** For the purposes of determining the appropriate payment to be made to any Holder pursuant to clause 12.7, or the voting entitlement of any Holder, the Trustee may (but need not) call for an extract from the Register and the Trustee shall be entitled to rely upon the accuracy and correctness of any such extract and shall incur no liability in doing so, or for the consequences of doing so should any such certificate, extract or information prove to have been incorrect, or for failing to request or obtain any such certificate, extract or information.

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13. PROVISIONS RELATING TO TRUSTEE**13.1 Remuneration:**

- (a) The Council shall pay to the Trustee for its services as Trustee such remuneration as shall from time to time be agreed between the Council and the Trustee.
- (b) The Council shall also, to the extent permitted by law, pay on demand all expenses (including travelling expenses and expenses incurred in the taking of any expert advice deemed necessary or expedient by the Trustee) reasonably incurred by or on behalf of the Trustee in connection with:
 - (i) the exercise by the Trustee of any right, power, duty or privilege conferred by this deed on the Trustee or upon any Holder;
 - (ii) any breach or default in the observance or performance by the Council of any provision of this deed;
 - (iii) the convening, and holding and carrying out of any directions or resolutions, of any meeting of Holders;
 - (iv) any application under the trusts and provisions of this deed for its consent to, or approval or execution of, any act, document or matter; and
 - (v) any other expenses agreed by the Council from time to time.
- (c) The remuneration and other payments payable pursuant to this clause shall continue to be payable until the trusts of this deed shall be finally wound up and whether or not the trusts hereof shall be in the course of administration by or under the direction of the court.
- (d) All expenses incurred and payments made by the Trustee in the lawful exercise of the powers conferred upon it by this deed and all remuneration payable to the Trustee shall be payable by the Council on demand and form part of the Outstanding Moneys and shall be satisfied before any payment is made to the Holders, and until payment shall carry interest at the rate set out in clause 4.5 for the time being payable on any Notes.

13.2 Powers of investment: Any moneys held by the Trustee which are subject to the trusts of this deed may, to the extent permitted by law, at the discretion of the Trustee, be invested in the name of the Trustee or its nominee in any investment whatsoever, or, at the request of the Council, in the purchase of Notes, with power to vary such investments for others of a like nature and to deal with, or dispose of, such investments. The income arising from all such investments made by the Trustee shall until the Date of Enforcement belong to the Council.

13.3 Applications to court: The Trustee may, on or at any time after the Date of Enforcement, apply to the court for an order that the powers and trusts



contained in this deed be exercised under the direction of the court and for any other order or direction in relation to the execution and administration of the powers and trusts contained in this deed as the Trustee may deem expedient and it may assent to, approve of or oppose any application to the court made by or at the instance of any Holder and shall be indemnified by the Council against all reasonable costs, charges and expenses incurred by and in relation to any such application or proceedings (except where a successful claim alleges, or relates to, any fraud, wilful default, negligence or wrongful action or omission by the Trustee).

13.4 **Waiver:**

- (a) Subject to any direction given pursuant to clauses 12.1 or 12.3 or otherwise given by the Holders, the Trustee may at any time by notice in writing to the Council waive, in whole or in part, for a specified period or indefinitely and on such terms and conditions (if any) as it deems expedient, any breach or anticipated breach by the Council of any provision expressed or implied in this deed provided the Trustee is satisfied that the interests of the Holders will not be materially prejudiced thereby but such waiver shall not prejudice the rights of the Trustee or the Holders in respect of any other breach.
- (b) Any waiver by the Trustee in accordance with clause 13.4(a) shall be binding on all Holders and the Council shall, if the Trustee considers that the circumstances warrant such notification, and so certifies to the Council, be notified by the Council to the Holders as soon as reasonably practicable.

13.5 **Supplemental powers:** In addition to the provisions of the law relating to trustees and to facilitate the discharge of its duties hereunder, but subject always to the provisions of the Securities Act, it is expressly declared that:

- (a) **Reliance:** The Trustee may, without liability for loss, obtain and act on, or decline and elect not to act on:
 - (i) the opinion or advice of or any information obtained from any barrister, solicitor, valuer, stockbroker, surveyor, auctioneer, chartered accountant or other expert whether obtained by the Council, any Holder or by the Trustee or otherwise and although the same may subsequently be found to contain some error or not be authentic;
 - (ii) a certificate signed by the Principal Administrative Officer on behalf of the Council as to any fact or matter prima facie within the knowledge of the Council or that any particular dealing, transaction, step or thing is expedient or commercially desirable or not detrimental to the interests of the Holders as sufficient evidence of such fact or matter or the expediency of such dealing, transaction, step or thing; and
 - (iii) the statements contained in any certificate, resolution or report given under this deed as conclusive evidence of the facts stated therein.

- (b) **Holdings' Resolution:** The Trustee shall not be responsible for acting or relying upon any resolution purporting to have been passed at any meeting of the Holders which the Trustee believes to have been properly passed even though it afterwards appears that such resolution is not binding or valid by reason of a defect in the convening of the meeting or the proceedings thereat or for any other reason.
- (c) **Subscribers' money:** The Trustee shall not be responsible for the money subscribed by the applicants for, or subscribers of, Notes, or be bound to see to the application thereof.
- (d) **Breach:** Notwithstanding any other provision of this deed, the Trustee shall exercise reasonable diligence to ascertain whether or not the Council has committed any breach of the provisions of this deed, any Related Document or the terms or conditions of issue of any Note, provided that, except where otherwise required by law, the Trustee will be entitled to assume, without special enquiry, that no such breach is occurring or has occurred and that the assets of the Council are sufficient to discharge the Outstanding Moneys as they become due, unless and until the Trustee receives actual notice to the contrary, whether in the form of information and reports provided to the Trustee pursuant to clauses 11.1 or 11.2 or otherwise.
- (e) **Discretion:** Except as otherwise expressly provided in this deed, the Trustee:
- (i) shall as regards all trusts, powers, authorities and discretions vested in it by this deed have absolute discretion as to the exercise thereof and as to the conduct of any action, proceeding or claim and provided it shall have acted with reasonable care and diligence it shall not be responsible to the Holders for any loss or cost that may result from the exercise or non-exercise thereof; and
 - (ii) may refrain from exercising any discretion, power or authority vested in it by this deed until it has a direction to act from the relevant Holders given by Extraordinary Resolution and the Trustee shall not be responsible for any loss or cost that may result from the non-exercise of the relevant discretion.
- (f) **No deemed knowledge:** The Trustee may assume that the Council is performing its obligations under this Deed and in respect of any Related Document, and shall not be deemed to have knowledge of the occurrence of an Event of Default unless and until the Trustee has received written notice from a Holder or the Council stating that an Event of Default has occurred and describing it, or the officers of the Trustee having responsibility for the administration of this Deed otherwise become actually aware that an Event of Default has occurred.
- (g) **Determinations conclusive:** As between itself and the Holders the Trustee may determine all questions and doubts arising in relation to any of the provisions of this deed and every such determination,

whether made upon such a question actually raised, or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Holders.

- (h) **Delegation:** The Trustee, whenever it thinks it expedient in the interests of the Holders to do so, may:
- (i) delegate (with the prior approval of the Council, except where the security created by the Debenture has become enforceable) at any time to any person any of the trusts, powers, authorities or discretions vested in the Trustee by this deed which cannot conveniently be exercised by it or through its employees, upon such terms and conditions and under such regulations (including power to sub-delegate) as the Trustee may think fit;
 - (ii) authorise such person as it thinks fit to act as its representative at any meeting;
 - (iii) in addition to the exercise of the powers contained in clause 13.3, apply to the court for directions in relation to any question arising, either before or after the Date of Enforcement.

13.6 Indemnity by the Council:

- (a) Without prejudice to the right of indemnity by law given to trustees, the Trustee and every attorney, manager, agent or other similar person appointed by the Trustee pursuant to this deed shall (subject to the provisions of the Act) be indemnified by the Council in respect of all liabilities and expenses incurred in the execution or purported execution of the powers or trusts contained in this deed and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted, or in any way relating to the provisions of this deed, other than a claim arising out of a wilful default, negligence or breach of duty on the part of the Trustee or any such attorney, manager, agent or other person.
- (b) The Trustee may retain and pay out of any moneys in its hands arising from the trusts of this deed all sums necessary to effect such indemnity and also the remuneration and disbursements of the Trustee provided for in this deed.

13.7 **Indemnity by Holders:** The Trustee shall not be bound to comply with a direction pursuant to the provisions of clauses 12.1 or 12.3 unless the Trustee shall first have been indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may be rendered liable, and all costs, charges, damages and expenses which it may incur, by so doing.

13.8 Other relationships:

- (a) **Holder:** Nothing in this Deed shall be deemed to prohibit the Trustee or any related company of the Trustee (all of whom in this clause where the context permits are included in the expression "the

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Trustee⁷⁾ or its directors, or officers, from being a Holder or the holder of any other security (including any Security Certificate issued under the Debenture) issued by the Council or from acting in any representative capacity for a Holder, or other such holder.

(b) **Own account:** Without limiting the generality of clause 13.8(a), it is expressly declared that the Trustee may so act on its own account or as executor, administrator, trustee, receiver, committee, attorney or agent or in any fiduciary, vicarious or professional capacity and the acting in such capacity shall not be deemed a breach of any of the obligations under, or arising out of the relationship between the Trustee and the Council, or the Trustee and the Holders as the case may be.

(c) **Other transactions:** The Trustee shall not by reason of its role as Trustee be precluded from making any contracts or entering into any transactions with the Council or with itself as Trustee in the ordinary course of the business of the Trustee or from undertaking any insurance, financial or agency service with the Council or for itself as Trustee, and the Trustee shall not be accountable either to the Council or the Holders for any profits arising from such contracts, transactions or services.

(d) **No deemed knowledge:** The Trustee shall not be deemed to have knowledge of any matter if that knowledge is obtained when it is acting on its own account in a capacity other than as Trustee.

13.9 **Represent Holders:** The Trustee may at any time, either of the Trustee's own volition or pursuant to any direction or in accordance with any policy given or indicated by an Extraordinary Resolution, represent Holders in any investigation, negotiation, action, transaction or proceedings concerning the interests of the Holders generally in the affairs of the Council or in the enforcement of the rights of the Holders or any of them, and in particular in obtaining legal, accountancy or other professional advice as to the rights of the Holders or the Trustee, the duties of the Trustee and the liabilities of the Council and in enforcing the rights of the Holders or the Trustee by any demand, action or proceeding.

13.10 **Confidentiality:** Unless ordered to do so by a court of competent jurisdiction the Trustee shall not be required to disclose to any Holder any confidential financial or other information made available to the Trustee by the Council.

13.11 **Retirement:** The Trustee may retire at any time, without assigning any reason therefor, upon giving at least 60 days' (or such shorter period as the Council may agree) notice in writing to the Council, and shall retire if requested to do so by an Extraordinary Resolution, subject (in each case) to the due appointment of a new Trustee and the transfer to such new Trustee of the moneys and investments held by the Trustee hereunder.

13.12 **Appointment of new Trustee:**

(a) The power of appointing a new Trustee is vested in the Council but no new Trustee or Trustees hereof shall be appointed unless such appointment is first approved by an Extraordinary Resolution of all

Holders. Upon any vacancy in the office of Trustee arising the Council shall promptly call a meeting of the Holders for the purpose of approving the appointment of a new Trustee and, if approval is given, the Council shall exercise its power of appointment. Only a body corporate authorised in accordance with the provisions of the Securities Act shall be appointed as a Trustee of this deed.

- (b) If within 30 days after receiving notice of the Trustee's intention to retire the Council fails to call a meeting of the Holders as aforesaid, or to exercise the power hereby vested in it of appointing a new Trustee or new Trustees, the Holders may by Extraordinary Resolution exercise such power to the exclusion of the Council.

13.13 **Additional powers etc.:** The powers, authorities and discretions conferred upon the Trustee by this deed shall be in addition to any powers, authorities and discretions which may from time to time be vested in trustees by law and to any powers, authorities and discretions which may from time to time be vested in the Trustee as the holder of any Notes.

14. ALTERATIONS TO TRUST DEED

14.1 **Trustee may concur in certain alterations:** The provisions of this deed may be added to or varied by deed executed by the Council and the Trustee:

- (a) Without the consent of the Holders if:
- (i) it is necessary or desirable to correct a manifest error, or to comply with the requirements of any applicable law; or
 - (ii) it is of a formal or technical nature; or
 - (iii) in the opinion of the Trustee it is not, or is not likely to become, prejudicial to the general interests of the Holders; or
 - (iv) the law in New Zealand relating to securities is modified and in the opinion of the Trustee it is in the interests of the Holders to amend this deed to take cognisance of such modification; or
 - (v) it is necessary or convenient for complying with any generally accepted financial market, banking or business practice and in the opinion of the Trustee is appropriate and reasonable in all the circumstances and is not, or is not likely to become, prejudicial to the general interests of the Holders; or
- (b) With the consent of the Holders given by an Extraordinary Resolution.

15. MEETINGS OF HOLDERS

15.1 All meetings of Holders will be convened and held in accordance with the provisions set out in schedule 2.

16. NOTICES

16.1 **Notices:** Each notice or other communication to be given or made under this deed to any person must:

- (a) **Writing:** be given or made in writing by facsimile or letter and be signed by the sender or an authorised officer of the sender;
- (b) **Address:** be given or made to the relevant person at the address or facsimile number, and marked for the attention of the person (if any), from time to time designated by that person for the purposes of this deed;
- (c) **Deemed delivery:** not be effective until received by that person, and any such notice or communication shall be deemed to be received by that person:
 - (i) (if given or made by letter) when left at the address of that party or 2 Business Days after being put in the post, postage prepaid, and addressed to that person at that address; or
 - (ii) (if given or made by facsimile) upon production of a transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient designated for the purposes of this deed,

provided that any notice or communication received or deemed received after 5 pm on a Business Day in the place to which it is sent, or on a day which is not a Business Day in that place, shall be deemed not to have been received until the next Business Day in that place.

16.2 **Initial contact details:** The initial address, and facsimile number and person (if any) so designated by each party, are set out below:

(a) **The Council:**

The Auckland City Council
 Level 5, Bledisloe House
 24 Wellesley Street
 Auckland

Facsimile No: 09 307 7600
 Attention: Funds Manager

(b) **The Trustee:**

The Trustees Executors and Agency Company of New Zealand Limited
 Level 12, 45 Queen Street
 Auckland

Facsimile No: 09 303 0155
 Attention: Corporate Business Manager

(c) **The Holders:**

The addresses and (where applicable) facsimile numbers recorded in the Register.

17. MISCELLANEOUS

- 17.1 **Waivers and remedies:** Time shall be of the essence of this deed but no failure on the part of a Holder to exercise, and no delay on its part in exercising, any right, power or remedy under this deed shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The rights, powers and remedies provided in this deed are cumulative and not exclusive of any rights, powers or remedies provided by law.
- 17.2 **Partial invalidity:** If at any time any provision of this deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, such illegality shall not affect the enforceability of the remaining provisions hereof nor will the legality, validity or enforceability or such provisions under the law of any other jurisdiction in any way be affected or impaired thereby.
- 17.3 **Further issues:** Subject to any agreement to the contrary contained in any Related Document, the Council, may from time to time, without the consent of the Holders, issue notes or other debt obligations on such other terms and conditions as the Council may think fit.
- 17.4 **Change in Agent:** The Council shall give notice in accordance with clause 16 to the Holders of any appointment, resignation or removal of the Agent or change in its specified office as soon as reasonably practicable following such event.
- 17.5 **Documents:** Copies of this deed, any Related Document and the Agency Agreement will be made available by the Council for inspection during usual business hours by any Holder at the office of the Council which, at the date of this deed, is as set out in clause 16.2. Each Holder will be entitled to the benefit of, will be bound by, and will be deemed to have notice of the provisions of, this deed and the Agency Agreement.
- 17.6 **Absence of Crown Guarantee:** The Outstanding Moneys are not guaranteed by the Crown unless expressly authorised pursuant to section 59 of the Public Finance Act 1989.
- 17.7 **Survival:** The indemnities contained in this deed will survive the payment of all the Notes and the termination of this deed.
- 17.8 **Registration of deed:** The Council shall forthwith at its own cost register this deed as required by the Securities Act and shall pay all costs and expenses incidental hereto.
- 17.9 **Release of deed:** Upon the Trustee being reasonably satisfied that all Holders have been paid or satisfied in respect of both principal and interest, or that

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provision for such payment or satisfaction has been made in accordance with the provisions of this Deed and the requirements of any Notes and upon payment or retention of all costs, charges and expenses incurred by or payable to the Trustee in relation to this Deed, and the remuneration of the Trustee, the Trustee shall at the request and cost of the Council release and discharge the Council from its obligations under this Deed.

- 17.10 **No liability:** The Reserve Bank of New Zealand as Agent will not be liable for any breach by the Council of any representation, obligation, undertaking, including the non payment of any money due, nor will the Reserve Bank of New Zealand be liable for any negligent act, error or omission on the part of the Council, nor for acting in accordance with any instruction or direction of the Council or with the consent or approval of the Council.

18. GOVERNING LAW

- 18.1 This deed and the Notes are governed by and will be construed in accordance with the laws of New Zealand.



EXECUTION

THE COMMON SEAL of the
THE AUCKLAND CITY COUNCIL
was affixed to this Deed at the
Office of the Council,
in the presence of:



[Signature]
Title - **DEPUTY MAYOR**

[Signature]
Title - **COMMITTEE MANAGER**

SIGNED by the Local Board of
THE TRUSTEES EXECUTORS AND
AGENCY COMPANY OF NEW ZEALAND LIMITED
by:

[Signature] Director
Authorized Signatory
Jim Mills
[Signature] Authorized Signatory
Clynton Neil Har

in the presence of:

[Signature]
Signature

Christena Cooney
Name

Wellington
Address

Executive Support
Occupation



99ACT/AK 0033(2/2)

Witness to Authorised Signatory's signature:

Signature: [Signature]

Joanne Petrina Hooker
[Print name in full]

Occupation: Secretary

Address: Auckland

SCHEDULE 1

Particulars to be recorded in the Register in respect of each Note

1. Type of Note [Fixed Rate, Floating Rate, Zero Coupon]
 2. Index-linked [Yes/No - If yes, principal and/or interest]
 3. Issue Date
 4. Maturity Date
 5. Face Value
 6. Principal Amount [Face Value or formula for calculation on Maturity Date and/or Interest Payment Dates]
 7. Name and address of Holder
 8. Minimum denomination
 9. Interest Rate* [fixed rate or margin over the Base Rate]
 10. Margin*
 11. Interest Payment Dates*
 12. Interest Periods*
 13. Index*
 14. Details of the account to which payments in respect of the Note are to be made.
- Transfers of the Note
16. Cancellation of the Note
 17. Details of any RWT Exemption Certificates held by the Holder
 18. Any other information required by law.

* if applicable



SCHEDULE 2
MEETINGS OF HOLDERS

1. CONVENING

- 1.1 The Trustee will whenever required to do so pursuant to the Local Government Official Information and Meetings Act 1987 or the Securities Act or any other applicable law or any regulations made thereunder convene a meeting of the Holders.
- 1.2 The Council will at the request in writing of Holders holding not less than 10% of the aggregate principal amount of the Outstanding Notes convene a meeting of the Holders. The request shall state the nature of the business proposed to be dealt with at the meeting concerned.
- 1.3 The Council may at any time of its own volition convene a meeting of the Holders.
- 1.4 Meetings of Holders will be convened and held in accordance with the following provisions. In these provisions:

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

"Trust Deed" means the trust deed made by the Council to which this schedule is attached.

"Proxy Closing Time" means 48 hours before the Appointed Time of the relevant meeting of Holders or taking of a poll of Holders.

2. PLACE

- 2.1 Meetings will be held in Auckland at a place designated in the relevant notice of meeting.

3. NOTICE OF MEETINGS

- 3.1 Notice of every meeting will be given in the manner provided in clause 15 of the Trust Deed to every Holder. Notice will be given to every Holder entered in the Register as at the close of business 5 Business Days prior to the date of despatch of the notice.
- 3.2 At least 14 days' notice of every meeting will be given. The notice will be exclusive of the day on which it is served or deemed to be served and of the day for which it is given. The notice will specify the place and Appointed Time of the meeting and the general nature of the business to be transacted. It will not be necessary to specify in the notice the terms of the resolutions to be proposed, except in the case of a resolution proposed to be passed as an

Extraordinary Resolution in which case the text of the proposed resolution must be set out.

- 3.3 The accidental omission to give notice to, or the non-receipt of notice by, any person entitled thereto will not invalidate the proceedings at any meeting.

4. QUORUM

- 4.1 No business will be transacted at any meeting unless the requisite quorum is present at the commencement of business. In the case of all meetings at least two individuals must be present.

- 4.2 The quorum for passing an Extraordinary Resolution will be Holders present in person or by representative holding or representing a majority in Principal Amount of the Notes.

The quorum for the transaction of any business other than the passing of an Extraordinary Resolution will be Holders present in person or by representative of at least 10% in Principal Amount of the Notes.

- 4.4 If within 15 minutes (or any longer time not exceeding 45 minutes as the chairman of the meeting may decide) after the Appointed Time a quorum is not present the meeting if convened at the request of Holders will be dissolved. In any other case it will be adjourned to a day and time (not being less than 14 days later) and to a place as may be appointed by the chairman. At such adjourned meeting all the Holders present in person or by representative will be a quorum for the transaction of business including the passing of Extraordinary Resolutions.

- 4.5 Notice of any such adjourned meeting of Holders at which an Extraordinary Resolution is to be submitted will be given in the same manner as for an original meeting (except that only 7 clear days' notice will be required) and such notice will state that the Holders present in person or by representative at the adjourned meeting (but comprising at least two individuals) will form a quorum whatever the Principal Amount of Notes held by them.

5. CHAIRMAN

- 5.1 A person appointed, by the Trustee from the Holders or any representatives present will preside as chairman at a meeting.

6. RIGHT TO ATTEND AND SPEAK

- 6.1 Any director, officer or solicitor of the Council, or any person appropriately authorised by the Council, may attend any meeting and all such persons will have the right to speak at the meeting.



7. ADJOURNMENT

- 7.1 The chairman may with the consent of any meeting at which a quorum is present and will if so directed by the meeting adjourn the meeting from time to time and from place to place.
- 7.2 No business will be transacted at any adjourned meeting except business which might have been lawfully transacted at the meeting from which the adjournment took place.

8. ONLY PERSONS ON REGISTER RECOGNISED BY COUNCIL

- 8.1 The persons named as Holders in the Register will be recognised and treated as the legal owners of the Notes whether those persons are or are not in fact the owners thereof.

9. AUTHORITY TO VOTE

- 9.1 An individual Holder may vote personally or by his representative and a Holder which is a corporation may vote by its representative or representatives. A Holder may appoint more than one representative, each such representative being authorised to act on behalf of the Holder in respect of a specified Principal Amount of Notes.

- 9.2 In these provisions "representative" means:

- (a) in the case of an individual Holder, a person appointed by an instrument of proxy or by power of attorney or, in the event of the death of a Holder, the personal representative of that Holder;
- (b) in the case of a Holder which is a corporation or corporation sole either:
 - (i) a person appointed by an instrument of proxy or by power of attorney; or
 - (ii) a person authorised by the directors of the corporation, or in the case of a corporation sole, a person authorised pursuant to its constitution.

The persons named in the Register as Holders at the Proxy Closing Time will be exclusively entitled to vote in person or by representative in respect of the Notes recorded as owned by them.

10. PROXIES

- 10.1 The instrument appointing a proxy must be in writing signed by the appointer or his attorney or, if the appointer is a corporation, either by an authorised officer or attorney or by any director, general manager, investment manager or other person who appears to have authority to appoint a proxy on behalf of the corporation.

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- 10.2 A person appointed to act as a proxy need not be a Holder and a holder of a proxy will have the right to speak at the meeting.
- 10.3 The instrument appointing a proxy and, if applicable, the power of attorney or other authority under which it is signed or a copy of such power or authority certified by a Notary Public or in any other manner approved by the Council, must be deposited at the place appointed in the notice convening the meeting or (if no such place is appointed) then at the registered office of the Council not later than the Proxy Closing Time. An instrument of proxy which is not so deposited will not be treated as valid unless the Council, in its absolute discretion, elects to accept any instrument of proxy notwithstanding that that instrument, or any power of attorney or other authority, is received or produced at a place other than that specified above or out of time.
- 10.4 An instrument of proxy may be in any usual or common form or in any other form approved by the Council and may make provision for directions to be given by the appointer to vote in favour of or against any proposed resolution.
- 10.5 An instrument of proxy, whether in a usual or common form or not, unless the contrary is stated thereon need not be witnessed and will be valid for the meeting to which it relates and for any adjournment of that meeting. Notwithstanding any provisions contained in an instrument of proxy no instrument of proxy will be valid after the expiration of 12 months from the date of its execution notwithstanding any provision to the contrary in the instrument, but this provision will not be construed to apply to the appointment of an attorney or representative otherwise than by an instrument of proxy.
- 10.6 An instrument of proxy in favour of:
- (a) the Principal Administrative Officer of the Council; or
 - (b) the chairman of the meeting,

(however expressed) will be valid and effectual as though it were in favour of a named person and will, in the case of paragraph (a) above, constitute the person holding the office of the Principal Administrative Officer of the Council or, in the case of paragraph (b) above, the person who chairs the meeting for which the proxy is used (whether on adjournment or not) the lawful proxy of the appointer.

11. HOLDER MAY APPOINT ATTORNEY

- 11.1 Any Holder may by power of attorney appoint an attorney (who need not be a Holder) to vote and act on his behalf at any meeting. An attorney will be entitled to produce evidence of his appointment at any time before the Appointed Time. An attorney who is so empowered may exercise the Holder's right to appoint a proxy.

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12. CORPORATE REPRESENTATIVES

- 12.1 A representative of a Holder which is a corporation or a corporation sole will, until its authority is revoked, be entitled to exercise the same powers on behalf of the corporation as that corporation could exercise if it were an individual Holder and will be entitled to produce evidence of his authority to act at any time before the Appointed Time of, or at, the meeting or adjourned meeting or for the taking of a poll at which the representative proposes to vote.
- 12.2 A representative will have the right to demand or join in demanding a poll and will (except and to the extent to which the representative is specially directed to vote for or against any proposal) have power generally to act at the meeting for the Holder concerned.

13. VOTING PROCEDURE AND POLLS

- 13.1 A resolution put to the vote of a meeting will be decided on a show of hands unless a poll is demanded (before or on the declaration of the result of the show of hands) by:
- (a) the chairman; or
 - (b) the Council or any representative of the Council; or
 - (c) one or more Holders holding or representing not less than 5% in aggregate principal amount of the Notes.

A declaration by the chairman that a resolution has been carried by the requisite majority or lost will be conclusive evidence of that fact unless a poll is demanded.

- 13.2 On a show of hands each person present at the meeting and entitled to vote (whether personally or as a representative) will have one vote only. On a poll every Holder who is present in person or by a representative will have one vote for every \$1 of principal amount of the Notes of which he is the Holder. On a poll votes may be given either personally or by representative and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
- 13.3 If a poll is demanded it will be taken in the manner directed by the chairman and the result of the poll will be deemed to be the resolution of the meeting at which the poll was demanded.
- 13.4 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands took place or at which the poll is demanded will be entitled to a casting vote in addition to the votes (if any) to which the chairman may be entitled as a Holder or on behalf of Holders.
- 13.5 A poll demanded on the election of a chairman or on a question of adjournment will be taken immediately. A poll demanded on any other question will be taken either immediately or at a time within 30 days from the Appointed Time. The result of the poll will be deemed to be the resolution of

the meeting at which the poll was demanded. No notice need be given of a poll not taken immediately.

- 13.6 The demand for a poll will not prevent the continuance of a meeting for the transaction of business other than the question in relation to which the poll has been demanded.
- 13.7 In the case of joint Holders the vote of the senior who tenders a vote whether in person or by representative will be accepted to the exclusion of the vote of the other joint Holders and for this purpose seniority will be determined by the order in which the names stand in the Register in respect of the joint holding.
- 13.8 A vote given in accordance with the terms of an instrument of proxy or power of attorney or other authority will be valid notwithstanding the previous death, insanity or (in the case of a corporation) liquidation of the principal or revocation of the proxy or power of attorney or authority or the transfer of the Notes in respect of which the vote is given, provided that no written notice of such death, insanity, liquidation, revocation or transfer is received by the Council at its registered office before the commencement of the meeting or adjourned meeting at which the proxy, attorney or authority is used.

14. EXTRAORDINARY RESOLUTIONS

- 14.1 The expression "Extraordinary Resolution" means a resolution passed at a meeting of Holders, properly convened and held in accordance with these provisions, at which not less than three fourths of the persons voting upon a show of hands or, if a poll is properly demanded, not less than three fourths of the votes given on such a poll voted in favour of the resolution.
- 14.2 A meeting of Holders will, in addition to all other powers which by the Trust Deed are specified as exercisable by Extraordinary Resolution, have the following powers exercisable by Extraordinary Resolution namely power to:
- (a) sanction either unconditionally or upon any conditions the release of the Council from the payment of all or any part of the moneys payable pursuant to the Trust Deed or the Notes;
 - (b) sanction the exchange of the Notes for, or the conversion of the Notes into, shares, stock, debentures, debenture stock or other obligations or securities of any company formed or to be formed;
 - (c) postpone or with the concurrence of the Council to accelerate the day when the principal amount of any Notes becomes payable and to suspend or postpone for a time the payment of interest on any Notes;
 - (d) sanction any alteration, release, modification, waiver, variation, or compromise or any arrangement relating to the rights of the Holders against the Council or its assets however those rights arise;
 - (e) assent to any amendment to the terms of the Trust Deed proposed or agreed to by the Council and to authorise the Council to execute any supplemental deed poll embodying any such amendment;

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- (f) give any sanction, assent, release or waiver of any breach or default by the Council under any of the provisions of the Trust Deed;
- (g) sanction any scheme for the reconstruction of the Council or for the amalgamation of the Council with any other corporation where such sanction is necessary;
- (h) authorise or direct the Council to execute any supplemental deed or other document embodying such sanction, authority or approval, assent, release, waiver, direction or request.

14.3 An Extraordinary Resolution passed at a meeting of Holders properly convened and held will be binding upon all the Holders whether or not present or entitled to be present at the meeting and the Holders will be bound to give effect to that resolution. The passing of any such resolution will, as between the Council and the Holders, be conclusive evidence that the circumstances justify the passing thereof the intention being that the meeting is entitled to determine without appeal whether or not the circumstances justify the passing of any such resolution. Notwithstanding the foregoing a resolution which affects a particular Holder or class of Holders only as opposed to the rights of the Holders generally will not be binding on such Holder or class of Holders unless the Holder agrees or the class of Holders agree to be bound by the terms of any such resolution. For the sake of clarity Notes with different maturity dates shall not be of the same class.

15. MINUTES TO BE KEPT

15.1 Minutes of all resolutions and proceedings at every meeting will be made by the Council or, if the Council is not present at the meeting, by some person appointed by the chairman of the meeting. Minutes must be entered in books from time to time provided for that purpose by the Council. Any such minutes, if signed or apparently signed by the chairman of the meeting at which a resolution was passed or proceedings had or by the chairman of the next meeting of Holders, will be prima facie evidence of the matters recorded in those minutes. Until the contrary is proved every meeting in respect of which minutes have been made will be deemed to have been properly held and convened and all resolutions passed or proceedings had held and convened and all resolutions passed or proceedings had at that meeting to have been properly passed and had.

16. CLOSURE OF REGISTER

16.1 In the event that a meeting is required to be called (or held) at any time that the Register is closed and therefore not available for inspection the contents of the Register that prevailed on the date of such closure shall be taken as the Register for the purposes of this schedule.



SCHEDULE 3

REPORTING CERTIFICATE

I, [name] the [Chief Executive and] Principal Administrative officer of the Auckland City Council (the "Council") hereby certify to the best of my knowledge and belief for the purposes of the Trust Deed dated [] the "Trust Deed":

1. Since the date on which the last Reporting Certificate was given [or in the case of the first Reporting Certificate, since the date of the Trust Deed]:

(a) all interest due on the Notes [has/has not] been paid;

(b) all Notes which have fallen due for repayment [have/have not] been repaid;

[details of any non-payment];

(c) [no/the following] Event of Default has occurred and remains unremedied;

[details of any Event of Default]

2. As at [the end of the financial year of the Council or other date in respect of which the Reporting Certificate is being given] the total amount of Notes issued and Outstanding under the Trust Deed (showing separately the respective nominal amounts) is as follows:

(i) Index Linked Notes of: \$

(ii) Fixed Rate Notes of: \$

[(iii) Floating Rate Notes of: \$]

3. On the basis of such information as to the financial position and prospects of the Council as is generally received by me in my capacity as [Chief Executive/Principal Administrative Officer] (including reports from the Council's financial managers), I am not aware of any reason why the Council will not be able to meet its liabilities in relation to Notes and interest thereon which are anticipated to fall due or to become payable during the twelve months from the date of this Certificate.

4. Since the date on which the last Reporting Certificate was given [or in the case of the first Reporting Certificate, since the date of the Trust Deed] the Council [has/has not] complied in all material respects with all the material provisions, covenants and obligations under the Trust Deed, the Agency Agreement and the Debenture.

[detail of any non-compliance]

5. I [am not aware of any reason/am aware of the following reasons/am aware of reasons which have already been advised to the Trustee] why in the period of twelve months from the date of this Certificate the Council will not so comply with such provisions, covenants and obligations.

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This Certificate is given by me as [Chief Executive and] Principal Administrative Officer of the Council in good faith on behalf of the Council and I shall have no personal liability in connection with the issuing of this Certificate.

Dated:

[Chief Executive/Principal Administrative Officer]
Auckland City Council

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CERTIFICATE OF REGISTRATION OF TRUST DEED

(Under Section 46(3) of the Securities Act 1978)

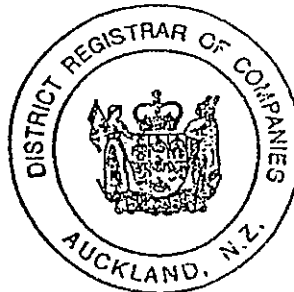
AUCKLAND CITY COUNCIL

AK. 206 (SEC)

This is to certify that a copy of a Trust Deed dated the 25th day of February 1999 made between the AUCKLAND CITY COUNCIL as issuer and THE TRUSTEES EXECUTORS AND AGENCY COMPANY OF NEW ZEALAND LIMITED as trustee was registered on the 8th day of March 1999.



Peter Turner
Assistant Registrar of Companies



Dated this 10th day of March 1999.