

# Whangarei District Council Meeting

## Agenda

**Date:** Thursday, 30 April, 2020

**Time:** 9:00 am

**Location:** Virtual Meeting Room

**Elected Members:** Her Worship the Mayor Sheryl Mai  
(Chairperson)  
Cr Gavin Benney  
Cr Vince Cocurullo  
Cr Nicholas Connop  
Cr Ken Couper  
Cr Tricia Cutforth  
Cr Shelley Deeming  
Cr Jayne Golightly  
Cr Phil Halse  
Cr Greg Innes  
Cr Greg Martin  
Cr Anna Murphy  
Cr Carol Peters  
Cr Simon Reid

For any queries regarding this meeting please contact  
the Whangarei District Council on (09) 430-4200.

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## **7. Public Excluded Business**

- 7.1 Confidential Minutes Whangarei District Council 27 February 2020

## **8. Closure of Meeting**

Recommendations contained in the Council agenda may not be the final decision of Council.

Please refer to Council minutes for final resolution.





## 4. Public forum

**Meeting:** Whangarei District Council  
**Date of meeting:** 30 April 2020  
**Reporting officer:** C Brindle (Senior Democracy Adviser)

### 1 Purpose

To afford members of the community an opportunity to speak to Council and to report on matters raised at public forums where appropriate.

### 2 Summary

Standing Orders allow for a period of up to 30 minutes to be set aside for a public forum at the commencement of each monthly council meeting.

The time allowed for each speaker is 5 minutes.

Members of the public who wish to participate should send a written application, setting out the subject matter and the names of the speakers, to the Chief Executive at least 2 clear working days before the day of the meeting.

#### **Temporary suspension public forum COVID-19 Pandemic**

During the current COVID-19 alert status it is not possible for Whangarei District Council to conduct its meetings at a publicly accessible physical location. All Council and committee meetings are being held remotely.

Until Council meetings resume in Council Chambers public forum is temporarily discontinued.

#### **Report on actions taken or comment on matters raised**

Where practicable actions taken on matters raised by previous speakers are reported back to public forum.

Speaker	Subject
Peter Vaughan	Planning Consent application processes – principles of the Treaty of Waitangi
<i>Response</i> Mr Vaughan acknowledged council for allowing Eva Vaughan to open the meeting with a karakia and on behalf of Te Iwitahi Manihera whanau spoke on: <ul style="list-style-type: none"> <li>the history and reign of the Maori Chief Te Iwitahi and his son Manihera, Tangata whenua of Whangarei.</li> <li>Maori representation and participation</li> <li>RMA processes – no email advising notification</li> </ul>	

*Response*

Staff welcome the opportunity to develop/deepen understanding of who the Tangata Whenua are, while also acknowledging that this is something for iwi/ hapū to determine. In terms of the Local Government Act (2002) a key focus is Māori participation in Council decision-making. Council is currently working on options for governance based mechanisms for participation in the term ahead, while also commencing a review of operational processes to identify gaps and enhance opportunities for participation by all Māori.

Resource consents are notified in accordance with statutory requirements, with all applications also available on Council's website

at: <http://www.wdc.govt.nz/BuildingandProperty/ResourceConsents/Pages/ResourceConsentsDatabaseSearch.aspx>

Robert Van Der Kaap

Council and record camera film of vehicle theft. An improved camera system for Vine Street car park. Number of vehicles stolen etc Vine Street/Whangarei

**Report**

Mr Van Der Kaap spoke on the theft of his ute from the Vine Street car park. The ute had \$8,000 cash and a number of other items of personal value inside. He requests council release the CCTV footage. He also asks that council improve CCTV in Vine and Cameron Streets.

*Response***CCTV Footage Request**

In relation to CCTV footage request re the theft of his ute, An official information request to Council is currently being dealt with by Democracy and Assurance.

**Additional CCTV on Vine St and Cameron St Request**

A PTZ camera will replace a faulty NRC PTZ camera that overlooks the Vine St Carpark. Additional static cameras are being considered to supplement coverage provided by the PTZ cameras located on Vine St and Cameron St. PTZ cameras rotate.

Olliver Krollmann

Climate Change Update – establishment of a Climate Emergency Action Advisory Group

*Response*

Mr Krollmann spoke on:

- the adverse health and mental health effects of climate change, how some people are more vulnerable to the potential impacts of climate change
- the need for council to take immediate action on addressing the effects of climate change
- the need for council to establish a Climate Emergency Advisory Group of climate emergency experts to assist and provide advice to council

*Response*

As part of declaring a Climate Change Emergency, Council committed to developing a Climate Change Action Plan. This will contain key actions which the Council can take to help adapt to the effects of a changing climate and help reduce our environmental impact. A draft is under development and will be presented to Council for discussion in April.

**Item 5.1****Whangarei District Council Meeting Minutes**

**Date:** Thursday, 27 February, 2020  
**Time:** 9:00 a.m.  
**Location:** Council Chamber  
 Forum North, Rust Avenue  
 Whangarei

**In Attendance**  
 Her Worship the Mayor Sheryl Mai  
 (Chairperson)  
 Cr Gavin Benney  
 Cr Vince Cocurullo  
 Cr Nicholas Connop  
 Cr Ken Couper  
 Cr Tricia Cutforth  
 Cr Shelley Deeming  
 Cr Jayne Golightly  
 Cr Phil Halse  
 Cr Greg Innes  
 Cr Greg Martin  
 Cr Anna Murphy  
 Cr Carol Peters  
 Cr Simon Reid

**Scribe** C Brindle (Senior Democracy Adviser)

**Acknowledgement**

Her Worship acknowledged and welcomed special guests Rebecca and Vanessa from Port Vila Municipal Council who are spending time at Whangarei District Council.

**1. Karakia/Prayer**

Eva Vaughan opened the meeting with a karakia.

**2. Declarations of Interest**

Item 6.2 – Whangarei Harbour Marina Management Trust – variation to lease  
 Item 6.10 – Fees and Charges 2020 to 2021

**3. Apologies**

There were no apologies.

#### **4. Public Forum**

Peter Vaughan – Planning Consent application processes – principles of the Treaty of Waitangi

Robert Van Der Kaap – Council record cameral film of vehicle theft. An improved camera system for Vine Street car park. Number of vehicles stolen etc Vine Street/Whangarei

Oliver Krollmann – Climate Change Update – establishment of a Climate Emergency Action Advisory Group

#### **5. Confirmation of Minutes of Previous Meeting of the Whangarei District Council**

##### **5.1 Minutes Whangarei District Council meeting held 19 December 2019**

**Moved By** Cr Carol Peters

**Seconded By** Cr Vince Cocurullo

That the minutes of the Whangarei District Council meeting held on Thursday 19 December 2019, including the confidential section, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting.

**Carried**

##### **5.2 Minutes Extra ordinary Whangarei District Council meeting held 11 February 2020**

**Moved By** Cr Shelley Deeming

**Seconded By** Cr Anna Murphy

That the minutes of the Whangarei District Council meeting held on Tuesday 11 February 2019 having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting.

**Carried**

#### **6. Decision Reports**

##### **6.1 Active Recreation and Sports Strategy – adoption**

**Moved By** Cr Greg Innes

**Seconded By** Cr Nicholas Connop

That the Council adopts the Active Recreation and Sports Strategy and supports including short term projects for consideration in the 2021-2031 Long Term Plan.

**Carried**

*Cr Cocurullo requested his vote against be recorded.*

## **6.2 Whangarei Harbour Marina Management Trust - variation to lease**

**Moved By** Cr Greg Martin

**Seconded By** Cr Greg Innes

That Council;

1. approves in principle the variation of the Whangarei Harbour Marina Management Trust lease for maritime buildings and boating facilities at the Town Basin and Kissing Point on the following terms:
  - a. the lease to be extended for a further 16 years, extending the expiry date for the lease from 30 June 2034 to 30 June 2050;
  - b. adding additional rights of renewal and rent reviews on 1 July 2034, 1 July 2039, 1 July 2044 and 1 July 2045; and
  - c. the extension being conditional on the Trust obtaining an extension of the resource consent for marina operations to align with the new expiry date.
2. Delegates to the Chief Executive the authority to execute the lease extension upon confirmation of these terms.

**Carried**

*Declaration of Interest:*

*Cr Deeming declared an interest as council's representative on the Whangarei Harbour Marina Management Trust.*

*Cr Murphy abstained from voting on Item 6.2.*

## **6.3 Temporary Road Closure - ANZAC Day Parade 2020**

**Moved By** Cr Vince Cocurullo

**Seconded By** Cr Nicholas Connop

That Whangarei District Council,

1. Approves the proposal to temporarily close the following roads to ordinary traffic for the ANZAC Day Parade on the following date in accordance with the Transport (Vehicular Traffic Road Closure) Regulations 1965.

**Saturday 25 April 2020**

**Bank Street**, from Hunt Street to Water Street

**Rust Avenue**, from Whangarei Intermediate School to Bank Street

**Cameron Street**, from Bank Street to Rathbone Street

**Rathbone Street**, from Cameron Street to Robert Street  
**Robert Street**, from Rathbone Street to Lauri Hall Carpark  
**Laurie Hall Carpark**  
**Service Lanes**, adjacent to the closed roads  
**Period of Closure:** 4:00am – 8:00am

2. Approves the proposal to temporarily close the side roads off the roads to be closed for up to 100 meters from the intersection for safety purposes.
3. Delegates to the Chair of the Infrastructure Committee and General Manager Infrastructure the power to give public notice of these proposed temporary closures, to consider any objections and to either approve, cancel or amend any or all of the temporary road closures if applicable.

**Carried**

#### **6.4 Direction setting for the 2019 - 2022 term**

**Moved By** Her Worship the Mayor

**Seconded By** Cr Carol Peters

That Council:

1. Endorses the following priorities for the 2019 -2022 Triennium, for consideration through the 2021 – 2031 Long Term Plan:
  - Transport (Roading and Public Transport)
  - Revitalising the City Core
  - Potential Northport expansion/Navy relocation
  - Sustainability (including waste minimisation)
  - Housing.
2. Notes the development of strategic planning and engagement programme.

**Carried**

#### **6.5 Policy on Elected Members Allowances and Recovery of Expenses**

**Moved By** Cr Shelley Deeming

**Seconded By** Cr Vince Cocurullo

That Council:

1. Approves the draft Elected Members Allowances and Recovery of Expenses Policy.

2. Delegates to the Chief Executive the responsibility of updating the policy to reflect changes from the Remuneration Authority.

**Carried**

## **6.6 Civic Centre - Review of Scope and Budget**

The motion was taken in parts.

**Moved By** Her Worship the Mayor

**Seconded By** Cr Shelley Deeming

That the Whangarei District Council:

1. Note that current population statistics show higher recent population growth than previous projections.

**Carried**

2. Note that the effect of the increased population is that the Civic Centre will need to be considerably larger than previously considered.

**Carried**

3. Resolve to use the Accommodation Schedule in this report as the basis to enter the Civic Centre design phase.

**Carried**

4. Increase the Civic Centre project budget by \$10 million, with the increase to be allocated to the 2021/22 financial year.

*On the resolution being put Her Worship the Mayor called for a division:*

<b>Recorded</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>
Her Worship the Mayor	X		
Cr Gavin Benney	X		
Cr Vince Cocurullo		X	
Cr Nicholas Connop	X		
Cr Ken Couper	X		
Cr Tricia Cutforth	X		
Cr Shelley Deeming	X		
Cr Jayne Golightly		X	
Cr Phil Halse		X	
Cr Greg Innes	X		
Cr Greg Martin	X		

Cr Anna Murphy	X		
Cr Carol Peters	X		
Cr Simon Reid			X
<b>Results</b>	<b>10</b>	<b>3</b>	<b>1</b>

**The resolution was Carried (10 to 3)**

*The meeting adjourned from 11.07am to 11.22am following Item 6.6.*

## **6.7 Policy for Council Appointments to Outside Organisations**

**Moved By** Cr Gavin Benney

**Seconded By** Cr Tricia Cutforth

That the Council:

1. Adopts the proposed Policy on Council Appointments to Outside Organisations located at Attachment One.
2. Delegates to the Chief Executive the authority to make editorial and typographical changes to the Policy on Council Appointments to Outside Organisations, if required.

**Carried**

*Cr Deeming re-joined the meeting at 11.23am following Item 6.7.*

## **6.8 Status of Director of Springs Flat Contractors Ltd**

**Moved By** Cr Greg Innes

**Seconded By** Cr Greg Martin

That the Council

1. Agrees to remove Crichton Christie as a director and do not appoint a replacement, at this stage.

Amendment

**Moved By** Cr Vince Cocurullo

**Seconded By** Cr Phil Halse

2. Agrees that a letter of thanks is sent to former Councillor Crichton Christie for his many years of service both within the Directorship and also on council.

**The amendment was Carried  
and subsequently Carried  
as the substantive Motion**



## 6.9 Appointments to Outside Organisations for 2019-2022 term

The motion was taken in parts.

**Moved By** Cr Tricia Cutforth

**Seconded By** Cr Phil Halse

That Council:

1. Approves the appointment of elected members as Council representatives to outside organisations as follows:
  - a. Northland Regional Landfill Limited Partnership (NRLLP) Advisory Committee – Cr Shelley Deeming, Cr Vince Cocurullo
  - b. Bream Head Conservation Trust – Her Worship the Mayor
  - c. Mangakahia Sports Ground Society Inc – Cr Simon Reid
  - d. Northland Athletics and Gymnastics Stadium Trust – Cr Phil Halse
  - e. Northland Craft Trust (Quarry Arts Centre) – Cr Nicholas Connop
  - f. Ngunguru Retirement Village Trust – Cr Greg Martin, Cr Anna Murphy
  - g. Saorsa Retirement Village Trust – Cr Phil Halse
  - h. Stonehaven Village Trust – Cr Phil Halse
  - i. The Mission to Seafarers Marsden Point – Cr Ken Couper
  - j. Tutukaka Marina Management Trust – Cr Greg Martin
  - k. Whangarei Harbour Marina Management Trust – Cr Shelley Deeming, Cr Phil Halse
  - l. Northland Road Safety Trust – Cr Greg Martin
  - m. Chamber of Commerce and Industry of Northland Inc – Cr Ken Couper
  - n. City Safe – Cr Vince Cocurullo
  - o. Disability Advisory Group – Cr Jayne Golightly
  - p. Positive Ageing Advisory Group – Cr Tricia Cutforth
  - q. Youth Advisory Group – Cr Nicholas Connop
  - r. Walking and Cycling Reference Group – Cr Gavin Benney.

**Carried**

2. Notes the approach to appointments to other outside organisations where formal appointments have historically been made, and associated communication.

**Carried**

*Crs Deeming and Peters requested their votes against be recorded.*

## **6.10 Fees and Charges 2020 to 2021**

**Moved By** Her Worship the Mayor

**Seconded By** Cr Nicholas Connop

That Whangarei District Council:

- a. Adopt the Statement of Proposal for 2020-2021 fees and charges listed in Table A below which are subject to the Special Consultative Procedure process under the Local Government Act 2002.
- b. Resolve to seek public submissions on these fees and charges in accordance with the Special Consultative Procedure.

### **Table A: 2020-21 Fees and charges subject to the Special Consultative Procedure.**

- c. Adopt the 2020-21 fees and charges which are not subject to the Special Consultative Procedure listed in Table B below

### **Table B: 2020-21 Fees and charges not subject to the Special Consultative Procedure.**

- d. Authorise the Chief Executive to make minor amendments, drafting, typographical or presentation corrections necessary to the Proposed Fees and Charges and the Statement of Proposal prior to consultation.

**Carried**

*Declaration of Interest:*

*Cr Benney declared a conflict of interest and withdrew from the table taking no part in discussions or voting on Item 6.10.*

*Secretarial note: the following amendments were made to the Proposed Draft Fees and Charges document:*

*Page 22 – formal submission period amended to 4 March – 6 April 2020.*

*Page 23 – Closing date for feedback amended to Monday 6 April 2020.*

## **7. Information Reports**

### **7.1 Financial Report for the 7 Months Ending 31 January 2020**

**Moved By** Cr Phil Halse

**Seconded By** Cr Anna Murphy

That the Council notes the operating results for the seven months ending 31 January 2020.

**Carried**

### **7.2 Capital Projects Report for the 7 months ending 31 January 2020**

**Moved By** Cr Phil Halse

**Seconded By** Cr Shelley Deeming

That the Council notes the Capital Projects Report for the seven months ending 31 January 2020.

**Carried**

### **7.3 Northland Transportation Alliance - Benefits Assessment**

**Moved By** Cr Ken Couper

**Seconded By** Cr Greg Martin

That Council notes the contents of the report.

**Carried**

*Cr Halse left the meeting at 12.23pm following Item 7.3.*

### **7.4 Reintroduction of the Well-beings - Responding to changes to the Local Government Act 2002**

**Moved By** Cr Greg Innes

**Seconded By** Cr Anna Murphy

That Council:

1. Notes the pathway to meeting the intent of the Local Government (Community Well-being) Amendment Act 2019.

**Carried**

*Cr Couper left the meeting from 12.24pm to 12.26pm during discussions on Item 7.4.*

## 7.5 Upper North Island Strategic Alliance (UNISA) Update

**Moved By** Her Worship the Mayor

**Seconded By** Cr Greg Innes

That the Council notes the update on the Upper North Island Strategic Alliance.

**Carried**

## 8. Public Excluded Business

**Moved By** Cr Anna Murphy

**Seconded By** Cr Shelley Deeming

That the public be excluded from the following parts of proceedings of this meeting. The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered		Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution
1.1	Confidential Minutes Whangarei District Council 19 December 2019	Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
1.2	Bid for sporting event		
1.3	Appointment		

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public, are as follows:

Item	Grounds	Section
1.1	For the reasons as stated in the minutes	
1.2	To enable Council to carry on without prejudice or disadvantage negotiations (including commercial and industrial negotiations)	Section 7(2)(h)
1.3	To protect the privacy of natural persons	Section (7)(2)(a)

**Carried**

**9. Closure of Meeting**

The meeting concluded at 1.14pm.

Confirmed this 30<sup>th</sup> day of April 2020

Her Worship the Mayor Sheryl Mai (Chairperson)



## Item 5.2

### Extraordinary Whangarei District Council Meeting Minutes

**Date:** Wednesday, 11 March, 2020  
**Time:** 1:00 p.m.  
**Location:** Council Chamber  
 Forum North, Rust Avenue  
 Whangarei

**In Attendance**

Deputy Mayor Greg Innes (Chairperson)  
 Her Worship the Mayor Sheryl Mai  
 Cr Gavin Benney  
 Cr Vince Cocurullo  
 Cr Nicholas Connop  
 Cr Ken Couper  
 Cr Shelley Deeming  
 Cr Phil Halse  
 Cr Anna Murphy  
 Cr Carol Peters  
 Cr Simon Reid

**Not in Attendance**

Cr Tricia Cutforth  
 Cr Jayne Golightly  
 Cr Greg Martin

**Scribe** C Brindle (Senior Democracy Adviser)

#### 1. Karakia/Prayer

#### 2. Declarations of Interest

*Her Worship the Mayor declared an interest and took no part in discussions or voting on Item 4.1. Her Worship vacated the Chair and Deputy Mayor Greg Innes assumed the chair for the duration of the meeting.*

#### 3. Apologies

Councillors Tricia Cutforth, Jayne Golightly and Greg Martin

**Moved By** Cr Vince Cocurullo

**Seconded By** Cr Nicholas Connop

That the apology be sustained.

**Carried**

#### 4. Decision Reports

##### 4.1 Delegation to Tasmania – water reform – approval of Mayoral travel and expenses

**Moved By** Cr Shelley Deeming

**Seconded By** Cr Gavin Benney

That Council

1. Approve the Mayoral travel and expenses in accordance with Council's Policy on allowances and reimbursement of expenses to Elected Members.

*On the motion being put Cr Cocurullo called for a division.*

<b>Recorded</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>
Her Worship the Mayor	X		
Cr Gavin Benney	X		
Cr Vince Cocurullo		X	
Cr Nicholas Connop	X		
Cr Ken Couper	X		
Cr Shelley Deeming	X		
Cr Phil Halse	X		
Cr Greg Innes	X		
Cr Anna Murphy	X		
Cr Carol Peters	X		
Cr Simon Reid	X		
<b>Results</b>	<b>10</b>	<b>1</b>	<b>0</b>

**The motion was Carried (10 to 1)**

#### 5. Closure of Meeting

The meeting concluded at 1.18pm.

Confirmed this 30<sup>th</sup> day of April 2020

Councillor Greg Innes (Chairperson)



**Item 5.3****Whangarei District Council Meeting Minutes**

**Date:** Tuesday, 17 March, 2020  
**Time:** 1:30 p.m.  
**Location:** Council Chamber  
 Forum North, Rust Avenue  
 Whangarei

**In Attendance**  
 Her Worship the Mayor Sheryl Mai  
 (Chairperson)  
 Cr Gavin Benney  
 Cr Vince Cocurullo  
 Cr Nicholas Connop  
 Cr Ken Couper  
 Cr Tricia Cutforth  
 Cr Shelley Deeming  
 Cr Jayne Golightly  
 Cr Greg Innes  
 Cr Greg Martin  
 Cr Anna Murphy  
 Cr Simon Reid

**Not in Attendance**  
 Cr Phil Halse  
 Cr Carol Peters

**Scribe** C Brindle (Senior Democracy Advisor)

**1. Karakia/Prayer****2. Declarations of Interest**

Item 4.1 - hearing - Proposed Amendments to the Speed Limits Bylaw

**3. Apologies**

Crs Phil Halse and Carol Peters

**Moved By** Cr Vince Cocurullo

**Seconded By** Cr Shelley Deeming

That the apologies be sustained.

**Carried**

#### 4. Decision Reports

##### 4.1 Hearing Proposed Amendments to the Speed Limits Bylaw 2019

**Moved By** Cr Greg Martin

**Seconded By** Cr Simon Reid

That Council

1. Receives the submissions to the Proposed Amendments to the Speed Limits Bylaw 2019, as listed in Attachment 1.
2. Hears the submitters who wish to be heard in support of their submission, as listed in table 1 of Attachment 1.

**Carried**

*Declaration of interest:*

*Cr Gavin Benney declared an interest as a resident of Main Road.*

The submitters who were heard are listed:

Carol Dean

Peter Schouten

Elizabeth Mathews

Olli Krollman

Barry Pyle

Warren Daniel (tabled submission) – Ruakaka Parish Residents and

Ratepayers Association Inc

Will Monk

Christine Maccartney (tabled submission)

Margaret Hicks (tabled submission).

#### 5. Closure of Meeting

The meeting concluded at 2.45pm

Confirmed this 30<sup>th</sup> day of April 2020

Her Worship the Mayor Sheryl Mai (Chairperson)

**Item 5.4**
**Emergency Whangarei District Council Meeting Minutes**

**Date:** Thursday, 19 March, 2020  
**Time:** 12:00 p.m.  
**Location:** Council Chamber  
 Forum North, Rust Avenue  
 Whangarei

**In Attendance**

Her Worship the Mayor Sheryl Mai  
 (Chairperson)  
 Cr Gavin Benney  
 Cr Vince Cocurullo  
 Cr Nicholas Connop  
 Cr Tricia Cutforth  
 Cr Shelley Deeming  
 Cr Jayne Golightly  
 Cr Phil Halse  
 Cr Greg Innes  
 Cr Greg Martin  
 Cr Carol Peters  
 Cr Simon Reid  
 Cr Ken Couper  
 Cr Anna Murphy

**Not in Attendance**
**Scribe**

C Brindle (Senior Democracy Adviser)

1. **Karakia/Prayer**
2. **Declarations of Interest** – there were no declarations of interest made.
3. **Apologies**

Crs Ken Couper and Anna Murphy

**Moved By** Cr Shelley Deeming

**Seconded By** Cr Phil Halse

That the apologies be sustained.

**Carried**

#### 4. Decision Reports

##### 4.1 Amendment to Standing Orders

**Moved By** Cr Shelley Deeming

**Seconded By** Cr Phil Halse

That Council agree to **include** a new provision in Council's Standing Orders to allow members (including members of the public and staff as stated in Standing Order 12.7), to attend meetings by audio or audio visual link as set out in Attachment 1; with this provision to be reviewed by 30 June 2020.

*On the motion being put Her Worship called for a division:*

<b>Recorded</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>
Her Worship the Mayor	X		
Cr Gavin Benney	X		
Cr Vince Cocurullo	X		
Cr Nicholas Connop	X		
Cr Tricia Cutforth	X		
Cr Shelley Deeming	X		
Cr Jayne Golightly	X		
Cr Phil Halse	X		
Cr Greg Innes	X		
Cr Greg Martin	X		
Cr Carol Peters	X		
Cr Simon Reid	X		
<b>Results</b>	<b>12</b>	<b>0</b>	<b>0</b>
		<b>Carried (12 to 0)</b>	
		<b>Unanimous</b>	

#### 5. Closure of Meeting

The meeting concluded at 12.31pm.

Confirmed this 30<sup>th</sup> day of April 2020

Her Worship the Mayor Sheryl Mai (Chairperson)

## Item 5.5

### Emergency Whangarei District Council Meeting Minutes

**Date:** Tuesday, 24 March, 2020  
**Time:** 9:00 a.m.  
**Location:** Council Chamber  
 Forum North, Rust Avenue  
 Whangarei

#### In Attendance

Her Worship the Mayor Sheryl Mai  
 (Chairperson)  
 Cr Gavin Benney  
 Cr Vince Cocurullo  
 Cr Nicholas Connop  
 Cr Ken Couper  
 Cr Tricia Cutforth  
 Cr Shelley Deeming  
 Cr Jayne Golightly  
 Cr Phil Halse  
 Cr Greg Innes  
 Cr Greg Martin  
 Cr Anna Murphy  
 Cr Carol Peters  
 Cr Simon Reid

#### Scribe

C Brindle (Senior Democracy Adviser)

#### Administrative matters

Her Worship covered the following administrative matters:

- Meeting to be live streamed
- Two Councillors attending by electronic means. Cr Halse (audio link) and Cr Peters (audio visual link)

#### 1. Karakia/Prayer

Chief Executive Rob Forlong opened the meeting with a karakia/prayer.

#### 2. Declarations of Interest

There were no declarations of interest made.

#### 3. Apologies

There were no apologies.

#### 4. Decision Reports

##### 4.1 Decision making arrangements: COVID-19

**Moved By** Her Worship the Mayor

**Seconded By** Cr Greg Innes

That Council:

1. Notes that following this Council meeting, all meetings of Council will cease for a period of at least one month.
2. ~~Delegates the power to make urgent decisions on behalf of Council or its Committees to:~~
  - ~~Any two of the Mayor or Deputy Mayor, and the Chairperson of either the Infrastructure, Strategy, Planning and Development, or Community Development Committees.~~

~~To be in force so long as Council is required to act in accordance with COVID-19 Alert Level 4 as determined by Government.~~
3. ~~If the Mayor or Deputy Mayor is not available, delegates to the Chief Executive, urgent decision making powers, except for those responsibilities, duties and powers specifically excluded in clause 32(1)(a) — (h) of Schedule 7 of the Local Government Act 2002.~~
4. ~~Agree that the Chief Executive's financial delegation is increased to \$4,500,000 in relation to these urgent decision making powers if they are required.~~
5. Notes the delegations under recommendations 3 and 4 above would only apply so long as Council is required to act in accordance with COVID-19 Alert Level 4 as determined by the Government.
6. Note these urgent decision making delegations will be reviewed when the alert level is reduced by government.

**Carried**

*Rescinded: Whangarei District Council minutes 16 April 2020*

## 5. Closure of Meeting

The meeting concluded at 9.11am.

Confirmed this 30<sup>th</sup> day of April 2020

Her Worship the Mayor Sheryl Mai (Chairperson)

**Item 5.6**
**Extraordinary Whangarei District Council Meeting Minutes**

**Date:** Thursday, 16 April, 2020  
**Time:** 9:00 a.m.  
**Location:** Virtual Meeting Room

**In Attendance**

Her Worship the Mayor Sheryl Mai  
 (Chairperson)  
 Cr Gavin Benney  
 Cr Vince Cocurullo  
 Cr Nicholas Connop  
 Cr Ken Couper  
 Cr Tricia Cutforth  
 Cr Shelley Deeming  
 Cr Jayne Golightly  
 Cr Phil Halse  
 Cr Greg Innes  
 Cr Greg Martin  
 Cr Anna Murphy  
 Cr Carol Peters  
 Cr Simon Reid

**Scribe**

**C Brindle (Senior Democracy Adviser)**

Her Worship opened the meeting and welcomed everyone to the first virtual meeting of the Whangarei District Council.

**1. Karakia/Prayer**

Māori Engagement Manager Aperahama Edwards opened the meeting with a karakia/prayer.

**2. Declarations of Interest**

Item 4.3 Community Fund 2019-20 Round 2

**4. Decision Reports**
**4.1 Review of decision making arrangements during COVID-19**

**Moved By** Her Worship the Mayor

**Seconded By** Cr Greg Innes

That Council:

1. Note the amendments made to the Local Government Act 2002 made under the COVID-19 Response (Urgent Management

Measures) Legislation Act 2020 to allow for meeting attendance and quorum by audio or audio visual link.

2. Rescind the *following* resolutions made at the Emergency Council meeting on 24 March 2020:

*“2. Delegates the power to make urgent decisions on behalf of Council or its Committees to:*

- Any two of the Mayor or Deputy Mayor, and the Chairperson of either the Infrastructure, Strategy, Planning and Development, or Community Development Committees.*
- To be in force so long as Council is required to act in accordance with COVID-19 Alert Level 4 as determined by Government.*

- 3. If the Mayor or Deputy Mayor is not available, delegates to the Chief Executive, urgent decision making powers, except for those responsibilities, duties and powers specifically excluded in clause 32(1)(a) – (h) of Schedule 7 of the Local Government Act 2002.*

- 4. Agree that the Chief Executive’s financial delegation is increased to \$4,500,000 in relation to these urgent decision making powers if they are required.”*

3. Agree to operate under a temporary limited meeting schedule as follows:

- Defer meetings of the four committees of the whole (Community Development, Infrastructure, Strategy Planning and Development, and Risk and Audit) and the Exemptions and Objections Subcommittee until 31 May 2020, or until the Epidemic Preparedness (COVID-19) Notice 2020 expires or is not renewed by the Prime Minister, whichever comes first.
- Continue with meetings of the remaining three committees as required (Chief Executive Review, Civic Honours Selection, and District Licensing).

4. Approve the amended Council meeting schedule for April and May as follows:

- a. Ordinary meetings of council on:

- 30 April 2020
- 14 May 2020
- 28 May 2020.



5. Delegates to the Chief Executive, the ability to amend or add to the amended meeting schedule in recommendation 4 above, in consultation with the Mayor.

**Carried**

*Cr Couper requested his concern that meetings of the Risk and Audit Committee were deferred, and his concern that the committee has not yet met; be recorded in the minutes.*

## **4.2 Draft Economic Recovery Response**

**Moved By** Cr Gavin Benney

**Seconded By** Cr Carol Peters

That the Council;

1. Note that the Covid-19 pandemic has had a material impact on households and businesses.
2. Endorses the approach for Council's Economic Recovery Response, including the actions identified to support those in hardship in the community.
3. Notes that there may be further items added to the response so there will be regular briefing sessions/meetings to update elected members and seek input.

**Carried  
(Unanimous)**

## **4.3 Community Fund 2019-20 Round 2**

**Moved By** Cr Tricia Cutforth

**Seconded By** Cr Anna Murphy

That Council:

1. Approves grants from Round 2 of the 2019-20 Community Fund as follows:
 

i. Age Concern Whangarei for postage paid envelopes	\$1,789
ii. Diversity Northland (under Creative Northland) for Diversity Festival 2020	\$7,000
iii. Mahitahi Hauora for Kai Ora Fund	\$7,000
iv. Mangapai Historic Buildings Inc for relocation of historic church	\$7,000
v. Northland Athletics and Gymnastics Sports Trust for interior upgrade	\$7,000
vi. Northland Chinese Association for Chinese Moon Festival	\$1,000
vii. Oneonesix Trust for Whangarei Fringe Festival	\$7,000
viii. Rotary Club of Whangarei South for Bernina Northland Fashion Awards 2020	\$4,000

ix.	Te Pou Theatre Trust for Maori Double Bill	\$2,951
x.	Waipu Cove Surf Life Saving Club for first aid training	\$5,000
xi.	Waipu Primary School Board of Trustees for Bream Bay Matariki Festival	\$3,858
xii.	Whangarei Men's Shed for Railway Station restoration	\$7,000
xiii.	Whangarei Mountain Bike Club for new trail	\$7,000
xiv.	Whangarei Victim Support for volunteers training programme	\$2,750
xv.	Whangaruru School for Whangaruru Cultural Festival 2020	\$3,000
xvi.	Whangarei Cat Rescue	\$4,635.00

2. Declines grants from Round 2 of the 2019-20 Community Fund as follows:

- i. Arthritis NZ for arthritis workshop
- ii. Dress of Success Northland for operating costs
- iii. Elevate Project for murals project
- iv. Epilepsy Association of NZ for computer replacement
- v. Hikurangi Rugby Union Football Club for kitchen upgrade
- vi. Jack Morgan Museum for 10<sup>th</sup> Anniversary event and exhibition addition
- vii. Kensington Croquet Club for croquet hoops
- viii. Learn NZSL with Eddie Trust for NZSL winter programme
- ix. Massive Company Trust for performing arts programme
- x. Nga Kura mo te Ako o Whangarei for community of learning project
- xi. Northland Indian Association for Festival of Life
- xii. Northland Society of Arts for garden irrigation
- xiii. Onerahi Volunteer Fire Brigade for Skyfest
- xiv. Waiotira Domain Board for drainage works
- xv. Waipu Caledonia Society for Highland Games
- xvi. Whangarei Group Riding for the Disabled for salary contribution
- xvii. Regent Community Trust for toy library purchases
- xviii. Whangarei Parents Centre for Teddy Bears Picnic 2020.

*On the motion being put Cr Halse called for a division:*

<b>Recorded</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>
Her Worship the Mayor	X		
Cr Gavin Benney	X		
Cr Vince Cocurullo			X
Cr Nicholas Connop	X		
Cr Ken Couper	X		
Cr Tricia Cutforth	X		

Cr Shelley Deeming	X		
Cr Jayne Golightly	X		
Cr Phil Halse		X	
Cr Greg Innes			X
Cr Greg Martin		X	
Cr Carol Peters	X		
Cr Simon Reid		X	
<b>Results</b>	<b>8</b>	<b>3</b>	<b>2</b>

**The motion was Carried (8 to 3)**

*Cr Innes was absent from the meeting from 10.01am to 10.13am during discussion on Item 4.2.*

*Cr Anna Murphy left the meeting at 2:30pm during discussion on Item 4.3.*

*Declarations of interests:*

*Cr Cocurullo declared an interest and withdrew from voting on Item 4.3.*

*Chief Executive Rob Forlong declared an interest in regard to a familial connection to Dress for Success Northland.*

## **5. Closure of Meeting**

The meeting concluded at 10.25am.

Confirmed this 30<sup>th</sup> day of April 2020

Her Worship the Mayor Sheryl Mai (Chairperson)



## 6.1 Increase Contract Award – CON17001 Parks Maintenance

**Meeting:** Council  
**Date of meeting:** 30 April 2020  
**Reporting officer:** Parks and Recreation Manager (Sue Hodge)

### 1 Purpose

To award the first renewal period of CON17001 – Parks Maintenance to Recreational Services being from 1st August 2020 to 31 July 2021

### 2 Recommendation

That the Council approves the value of Contract 17001: Parks Maintenance being increased by \$2,291,035 (excluding GST) from \$6,153,372.00 to \$8,444,407 (excluding GST) to extend the contract from 1<sup>st</sup> August 2020 to 31 July 2021.

### 3 Background

CON17001 is for the maintenance of parks and gardens in the district. The original term of the contract is from 1<sup>st</sup> August 2017 to 31 July 2020 with two one-year rights of renewal.

Recreational Services have requested, within the required three-month period, the first renewal period being 1<sup>st</sup> August 2020 to 31 July 2021. The contractor has performed satisfactorily with the terms of the contract meeting all key performance Indicators (KPIs).

### 4 Discussion

#### 4.1 Financial/budget considerations

Council has provided budget for the renewal of this contract in the 2018-28 Long-term Plan.

The value of the renewal has calculated from the current monthly claim, adjusted by Consumer Price Index (CPI), the average monthly day works, average monthly vandalism costs and includes work undertaken for the Water Services team. This is a measure and value contract and only work completed can be claimed.

#### 4.2 CODID-19 implications

The impacts of COVID-19 on this decision have been considered. There are no long-term impacts expected.

#### **4.3 Policy and planning implications**

The procurement of this contract was consistent with Council's procurement policy.

#### **4.4 Risks**

Because the period of the contract is 3 years plus 1 year plus 1 year there is a risk that the contract is not renewed after 3 years leading to uncertainty for the contractor and reduced investment in staff and machinery. The contractor has met all the KPI's during the first 3 years reducing this risk. Giving the contractor certainty by approving the extension in a timely manner reduces this likelihood.

### **5 Significance and engagement**

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

## 6.2 Tree Removal within the Coronation Scenic Reserve for Frank Holman Walking Track Upgrade

**Meeting:** Whangarei District Council  
**Date of meeting:** 30 April 2020  
**Reporting officer:** Sue Hodge (Manager Parks and Recreational, Solid Waste)

### 1 Purpose

To seek approval under the powers delegated to Council under the Reserves Act 1977, to remove selected trees from the Coronation Scenic Reserve, required as part of the upgrade works planned for the Frank Holman Walking Track.

### 2 Recommendation

That Whangarei District Council gives express written consent for the removal of selected trees within the Coronation Scenic Reserve, for the purpose of upgrading the Frank Holman Walking Track, pursuant to delegated powers under s42(1) of the Reserves Act 1977.

### 3 Background

The walking tracks within the Coronation Scenic Reserve have received substantial investment over recent years with access improvements being made from all the main entrance points. These access points are linked by the Frank Holman Track, which is along the Western Hills ridge running north-south.

A 650m section of the Frank Holman track now requires surface improvement, which will complete the Reserve's network of paths to provide all-season usability. Improvements for this section, from the top of the stairs at the Russell Road entrance to the Selwyn Avenue link, include new surfacing and step construction in areas where the grade is too steep for a regular track.

The track improvements will require removal of an estimated 44 trees of varying size, species and quality. The trees requiring removal have been identified by the project team in consultation with hapu representatives. Attachment 1 to this report identifies the trees and provides photos of each. 36 of the 44 trees have been assessed as either dead or dying and the remaining 8 are either hanging over the track or within the track alignment and therefore pose a potential future risk to the safety of track users.

## 4 Discussion

### 4.1 Financial/budget considerations

The walking track upgrade has budget allocated to it via the 'Walkway and Track Renewals' budget line of the Long-Term Plan. The budget is sufficient to include the necessary tree removals.

### 4.2 Policy and planning implications

#### District Plan and Reserve Management Plan Requirements

The site falls within the Open Space Environment of the Whangarei District Plan. This zoning provides for activities that are in accordance with a Reserve Management Plan. The Coronation Scenic Reserve forms part of the wider Pukenui Forest area which is included in the Pukenui Forest – Ngāhere o Pukenui Management Plan. The reserve management plan sets direction for the use of the reserve and puts limitations on the activities that can be undertaken. The proposed works are in general accordance with the directives and actions set out in the Reserve Management Plan. Consultation with the Department of Conservation and relevant Iwi/ hapu representatives will be undertaken throughout the project to ensure alignment with the document's objectives and policies.

However, the Resource Area Chapter of the District Plan for Notable and Public Trees (NPT) sits above the Open Space Environment Chapter in the District Plan. As the trees proposed to be removed will not comply with the requirements in the NPT Chapter, a resource consent will also be required for their removal. Therefore, seeking Council approval for removal of the trees within the scenic reserve is the first step in the policy and planning stages for the track upgrade and tree removal.

#### Reserves Act Delegation

The 2013 Instrument of Delegation for Territorial Authorities sets out the powers, functions and duties that the Minister of Conservation has delegated to Territorial Authorities under the Reserves Act 1977. The delegations include powers to "*Give, or decline to give, express written consent to the cutting or destruction of trees and bush on any historic, scenic, nature, or scientific reserve*", pursuant to s42(1). Council is required to consider whether, or not, to give approval to the removal of trees required for the upgrade of Frank Holman Track within the Coronation Scenic Reserve.

### 4.3 Options

The following options are available to Council:

#### a) Decline to Give Express Consent

This option would require a re-evaluation of the proposed upgrading project and potentially mean the project would be unable to progress. As the upgrading of these tracks is to ensure all season usability, this could impact on the safety of track users and the long-term management of the tracks with a potential outcome that the track would be unable to be used at certain times of the year or by certain user groups.



b) Give Express Consent with certain terms and conditions

There is an option available to specify terms and conditions on which the express written consent is given. As the tree removal will require resource consent it will be subject to a full assessment of environmental effects and notification assessment under the Resource Management Act 1991. The consent may also have certain conditions imposed as part of that process. It would therefore be difficult to manage a potential duplication of terms and conditions imposed via this process.

c) Give Express Consent without terms and conditions

This is the preferred option as it would allow for the tree removals to occur, providing for the upgrading project and further ensuring ongoing use of the walking track. The tree removals would only be undertaken after having been through a resource consent process and in accordance with possible recommendations by an arborist and conditions of consent.

#### **4.4 Risks**

There are risks associated with this decision, as outlined above. The biggest risk is that this project will not be able to go ahead and the track quality remains unsuitable for all-season use. This could lead to further degradation and possible non compliance with the Reserve Management Plan's expectations for levels of service.

**4.5** The impacts of COVID-19 on this decision have been considered. There are no long-term impacts expected.

## **5 Significance and engagement**

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

## **6 Attachment**

**1** Summary of Trees Proposed to be Removed



## Frank Holman Track Renewal Project - Trees for removal

March 2020

Tree No.	Species indication	Size indication	Health indication	Extra location notes	Notes
1	Puriri	Large	Dead/dying		See pictures of each tree on next pages.
2	Tea tree	Large	Dead/dying		
3	Tea tree	Medium	Dead/dying		
4	Tea tree	Medium	Dead/dying	In front of 5	
5	Tea tree	Small	Dead/dying	Behind 4	
6	Tea tree	Small	Dead/dying	Next to 7	
7	Tea tree	Large	Dead/dying	Next to 6	
8	Punga Stump	Small	Dead/dying		
9	Punga Stump	Small	Dead/dying		
10	Tea tree	Small	Dead/dying		
11	Tea tree	Medium	Dead/dying		
12	Pittosporum	Small	Good		Only remove if necessary - Contractor to determine if track can be built without
13	Unknown Stump	Small	Dead/dying		
14	Pittosporum	Small	Good	Hanging over track	
15	Pittosporum	Small	Ok	Hanging over track	
16	Unknown Stump	Small	Dead/dying		
17	Unknown /Tanekaha?	Large	Dead/dying		Group of dead trees in clearing at top of ridge, remove any likely to fall on track.
18	Unknown /Tanekaha?	Large	Dead/dying		Group of dead trees in clearing at top of ridge, remove any likely to fall on track.
19	Unknown /Tanekaha?	Medium	Dead/dying		Group of dead trees in clearing at top of ridge, remove any likely to fall on track.
20	Unknown /Tanekaha?	Large	Dead/dying		Group of dead trees in clearing at top of ridge, remove any likely to fall on track.
21	Unknown /Tanekaha?	Large	Dead/dying		Group of dead trees in clearing at top of ridge, remove any likely to fall on track.
22	Unknown /Tanekaha?	Large	Dead/dying		Group of dead trees in clearing at top of ridge, remove any likely to fall on track.
23	Unknown /Tanekaha?	Large	Dead/dying		Group of dead trees in clearing at top of ridge, remove any likely to fall on track.
24	Unknown /Tanekaha?	Large	Dead/dying		Group of dead trees in clearing at top of ridge, remove any likely to fall on track.
25	Unknown /Tanekaha?	Large	Dead/dying	Next to track diversion	
26	Multiple -Bush for track diversion	large	Good	10m section at the clearing	
27	Unknown	Medium	Dead/dying	After the hill, next to 28	
28	Unknown	Medium	Dead/dying	After the hill, next to 27	
29	Tea tree	Large	Dead/dying		
30	Pittosporum	Small	Good	Next to tree 31	Too close to the track
31	Pittosporum	Medium	Good	Next to tree 30	Too close to the track
32	Pittosporum	Small	Good	Soon after 31	Too close to the track
33	Punga Stump	Small	Dead/dying		
34	Tea tree	Large	Dead/dying		
35	Punga Stump	Small	Dead/dying		
36	Punga Stump	Small	Dead/dying		
37	Tea Tree	Medium	Dead/dying		
38	Tea Tree	Medium	Dead/dying		Overhanging the track
39	Tanekaha	Medium	Good		Too close to the track
40	Unknown broken/ stump	Small	Dead/dying		
41	Pittosporum	Medium	Dead/dying	Just before intersection	
42	Unknown	Large	Dead/dying	At intersection	
43	Unknown	Large	Dead/dying	Near tree 44. Fallen and overhanging track.	
44	Puriri, branch only	Large	Dead/dying	Overhanging track, past intersection	Overhanging branch only



## Frank Holman Track Renewal Project - Trees for removal

March 2020

Tree No. 1



#2



#2



#3



#4, 5



#6, 7



#6, 7



#8



#9





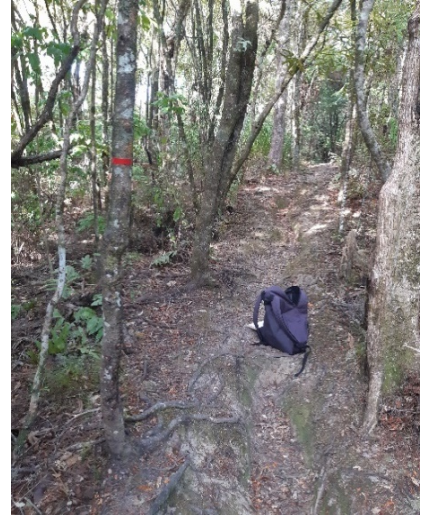
#10



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#16



#17, 18, 19, 20



#21, 22, 23, 24





#25



#26



#27, 28



#29



#30, 31



#32



#33



#34





#35



#36



#37



#38



#39, 40



#41



#42



#42





#43



#44



#44





## 6.3 Approach to 2020 – 21 Annual Plan

**Meeting:** Whangarei District Council  
**Date of meeting:** 30 April 2020  
**Reporting officer:** Dominic Kula (General Manager – Strategy and Democracy)  
 Alan Adcock (General Manager – Corporate / CFO)

### 1 Purpose

To determine approach to the 2020–2021 Annual Plan in response to COVID-19.

### 2 Recommendations

That the Council:

1. Endorses Option 3, *'Inflation Rates increase of 2.2 % (inflation) plus natural growth in the rating base and modified sector splits with Reductions to Discretionary Expenses with minimal changes to service delivery'*, as the preferred option for the consultation on the 2020/21 Annual Plan.
2. Endorses the inclusion of funding of \$3 million specifically for relief packages.
3. Notes that the proposals above may mean that WDC does not meet the financial prudence benchmark for 2020/2021.
4. Endorses a concise Consultation Document (along with required supporting information) being developed for adoption in early May 2020 which works through all options considered but focusses on the material issue only – Option 3 as our preferred response to COVID-19.
5. Endorses a targeted consultation process that recognises the limitations presented during COVID-19 responses while still meeting the principles of the Local Government Act 2002 and allowing Council to adopt the Annual Plan as close as possible to 30 June.
6. Notes that the Consultation Document and consultation plan will be supported by a communications programme which will outline the predicted impact of COVID-19 on Council and the community, and Councils short term (2020-21) and longer-term Response Strategy leading into the next Long Term Plan.

### 3 Background

Prior to COVID-19, the approach to the 2020 – 21 Annual Plan (Annual Plan) had been consistent with Year 3 of the 2018-28 Long Term Plan (LTP). No significant or material changes were proposed and as such there was no basis for meaningful consultation with our community.

COVID-19 has had dramatic and wide-ranging impacts on the global economy. In New Zealand, despite our relatively successful national response to the virus and its containment, the effects on our national and local economy will be profound. The epidemic is expected to continue to place unprecedented pressure on communities.

Council has acted swiftly to develop an Economic Recovery Package to provide short term relief from some of the stress and financial hardship faced by businesses and households and is working in pace to develop a Response Strategy with a medium to long term focus.

The Annual Plan provides an opportunity to provide immediate and tangible support as we work to reset and revitalise our economy.

## 4 Discussion

Two workshops were held with Elected Members on 2 April and 22 April 2020 to discuss the potential approaches to the Annual Plan in response to COVID-19.

Feedback from these workshops confirmed the need to revisit the approach taken in the Annual Plan, with a focus on relief to our community through the mechanisms such as rate (and corresponding budget) adjustments.

However, COVID-19 has arisen at the point in our planning cycle where we were finalising our Annual Plan ready for adoption at the end of June. Options such as appreciably changing our rates increase, reducing levels of service or adjusting financial parameters (such as sector splits or operating without a balanced budget) would be material.

Under the Local Government Act 2002 (LGA) Council must consult if an Annual Plan contains material or significant changes from the corresponding year of a Long Term Plan. Given the timing of COVID-19 in Council's planning cycle, and the need to provide timely support for our community, Council sought a law change to provide relief from provisions of the LGA that constrain our ability to respond quickly.

However, sector and Government guidance has made it clear that this will not be forthcoming meaning that consultation is required if Council wishes to materially reduce the proposed rates rise. For Council to effectively respond to the impacts of COVID-19, a revised and shortened Annual Plan consultation process is needed. The process will need to accommodate the following constraints:

- Adjusting to the timing and requirements of COVID-19 lockdowns
- Providing for meaningful consultation in accordance with our obligations under the LGA
- Allowing Council to adopt the Annual Plan and strike rates at as close as possible to 30 June 2020.

In order to prepare the Consultation Document and supporting information staff need a preferred option for consultation from today's meeting.

### 4.1 Financial and rating options

Options for providing rating and broader financial relief were initially worked through at a workshop on 02 April 2020. At a workshop on 22 April 2020 Council was provided an overview of the COVID-19 Response Strategy alongside detailed analysis of potential rating options for the Annual Plan. The slides from that workshop are attached as attachment 1.

Four scenarios for the financial budget and rating options were presented and discussed in detail, these can be summarised as:

Option	Financial budget actions	Rating impact
1 Status quo - No consultation	Retain financial budget as planned	Rates increase of 4.2% (inflation + 2%) plus 1% growth, resulting in disproportionate increases for Commercial & Industrial and rural sectors.
2 Smaller increase Consultation	Minor budget adjustments and no changes to service levels	Rates increase of 3.2 % (inflation + 1%) plus natural growth in the rating base and modified sector splits
3 Inflation increase only Consultation	Reductions to Discretionary Expenses with minimal changes to service delivery	Rates increase of 2.2 % (inflation) plus natural growth in the rating base and modified sector splits
4 No increase Consultation	Wider expense reductions and service levels detrimentally impacted	Zero rates increase plus natural growth in the rating base and modified sector splits

A substantial amount of detail was provided in relation to the four options, including risk such as the need for a future rating 'catchup'. Information was provided on the potential revenue impacts of COVID-19 and potential cost reductions as well as what relief packages might look like. Relevant information and analysis presented in support of the above options is Attached.

### Sector splits

Following the 2018 general revaluation and subsequent settlement of objections, the total land value in the Commercial and Industrial and Rural sectors have reduced. Retaining the current sector shares would result in dis-proportionately larger rates increases in these sectors compared to the Residential sector. It is therefore proposed in options 2, 3 and 4 to increase the rates for each sector by the same amount by simply increasing the relevant rate in the dollar. This approach requires consultation as the method of calculating the effective rating differentials for each sector would be different from those outlined in the LTP.

Through the discussion, the majority of Elected Members expressed strong support for options 2 and 3, with some Elected Members supporting options 1 or 4. The challenge of consulting was acknowledged in the discussion, as well as the potential advantages of consultation as tool to work alongside our community on our response to COVID-19.

Further rating options that have been discussed are:

- Decrease the penalty for unpaid rates from 10% to 5%
- Increase the early payment discount from 2% to 4%, to incentivise more ratepayers to pay in August

### 4.2 Relief Packages

The impacts of COVID19 are clearly being felt now and Council has already announced various measures to support our community. However, there is now clear evidence that recovery will take place over an extended period, with ongoing adverse effects.

While Central Government is taking a lead role in funding and delivering support through a number of its agencies, Council can play a role in this as well.

We are somewhat constrained by the fact that any financial support provided is funded by the same community that would receive that support i.e. the process is circular. However, we do have the ability to use some operational funding for targeted support; either to supplement government support packages or to fill gaps in their program.

Given the overall financial position outlined above, funding allocated for relief packages may push Council into an operating deficit next year (i.e. we would fail the balanced budget measure in the Financial Prudence Benchmarks). This will not be known until detailed financial statements are prepared prior to adoption of the Consultation Document. However, on balance, and given our responsibility to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future, this would be an acceptable and prudent decision.

It is therefore proposed to establish a range of relief programs with funding of \$3 million allocated. Work is underway to establish the exact form and allocation of that funding prior to adoption of the Consultation Document.

### **4.3 Approach to consultation**

There is uncertainty about the timing of movement between the levels of COVID-19 restrictions, which will be determined the Government. As such COVID-19 restrictions are likely to place limitations on the methods used in consultation.

The preferred option for consultation will be outlined in a concise Consultation Document, to be adopted along with the required supporting information. The document will be a short (6-10 pages) outline of material changes proposed in response to COVID-19.

The consultation process will be targeted, recognizing the limitations of COVID-19, while meeting the principles of the LGA. The time period proposed will allow Council to adopt the Annual Plan as close as possible to 30 June 2020. The consultation process will:

- Be based on a consultation period of 2 weeks (timeframe to be confirmed following external advice).
- Consider the potential for COVID-19 level 3 restrictions to be in place for a longer period.
- Assume that even at COVID-19 level 2 there will be restrictions on gatherings.
- Not include community meetings due to both COVID-19 and time restrictions.
- Enable distribution and promotion of the Consultation Document through multiple channels including:
  - Electronically - Council's website, Facebook, Radio
  - Physically – print media, supermarkets, Council facilities (if open) and with alternative options (such as NZ Post mailout) if required due to COVID – 19 restrictions
  - Electronically to community, resident and ratepayer groups, Te Huinga, and other stakeholders
- Enable submissions to be made electronically, via post and/or delivered to Council offices.
- Enable people in over 70 or vulnerable categories to provide a verbal telephone submission prior to the closure date of the submission period.
- Have no formal hearing of submissions.

At the time of writing advice is being sought on the process. Any advice received will be incorporated into the final consultation process, to be adopted alongside the Consultation Document and supporting information.

#### **4.4 Approach to communication**

The consultation process will be supported by a communications programme which, amongst other things, will outline the predicted impact of COVID-19 on Council and the community, and Council's short term (2020-21) and longer-term response strategy leading into the next long-term plan (LTP). This signals Council's commitment to resilience through relief, advocacy, partnership and support as part of a broader 'reset'.

The communication approach will be digitally led; however, it will be supported by several non-digital channels to ensure we do as much as possible to connect with all parts of our community within the constraints of the COVID restrictions.

Social media, the WDC website and online news will be key channels, along with print media, a radio campaign and billboards. These channels will be supported by engagement with key stakeholder groups, including business and community, hapu and residents and ratepayers.

The consultation document will be a key mechanism for communicating our response to COVID-19:

- Outlining the predicted impact of COVID-19 on Council and the community.
- Clearly explaining the option we are recommending vs other options considered.
- Highlighting the balance needed in setting rates at an affordable level for the community, while providing sufficient funding to deliver on core services, and the projects the community expects.
- Identifying funding allocated to relief programs.
- Explaining the role Council will play in the 'reset' of our District and its economy.
- Sharing what we are working on in the short, medium and longer term to support our households, community, and businesses in the recovery and leading into the next LTP.

## **5 Significance and engagement**

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy. Council will consider supporting information, including financials and a Consultation Document, at a meeting in early May in order to commence consultation on changes to the 2020/21 Annual Plan.

## **6 Attachment**

Presentation on rating options for 2020 – 2021 Annual Plan



# ***Annual Plan 2020/21***

Responding to impacts of COVID-19

22 April 2020

# <sup>49</sup> *We require clear direction by the end of this workshop on the following topics:*

- Consultation Triggers
- Net Revenue impacts
- Cost reductions
- Rates Movement
  - Changes to sector splits
- Service Level impacts
- CapEx program and Fees & Charges assumptions
- Appetite for Relief packages
- Consultation approach and timeline

*We require this direction so we can complete all the material needed to enter a consultation process and still adopt the Annual Plan as close to 30 June as possible.*



Local government **does not** create financial **wealth**. 50

It receives a portion of our community's wealth, **transforms** it into **value** and **returns** it to them.





- All Revenue lines over \$100k have been reviewed.
- Best Case and Worst Case scenarios were identified by Dept Mgrs and their assigned Group Accountant
- Consequential Expenses reductions were also considered  
e.g. Where Contractors are currently used to meet excess demand, that budget has been removed
- This analysis was then reviewed by the CFO, Finance Manager and the relevant GM
- Consolidated results were then linked to model Income Statements to allow further scenario modelling

# Net Revenue Impacts - Major items<sup>53</sup>

	Draft AP \$000	Best Case	Worst Case	Assumed	Net Revenue Loss	Comments
General & Targeted Rates	106,462	0%	5.2%	3.0%	2,672	Assumed Inflation only increase plus growth. Increased arrears will only affect Cashflow in 20/21 – minimal write-offs
Consenting & Building Fees	7,861	20%	50%	25%	1,660	Several large projects offsetting residential slowdown. Not using Consultants for overflow work.
NZTA Subsidies	18,770	0%	25%	0%	-	Roading program largely unchanged, but NZTA funding could change
Development Contributions	6,100	50%	100%	50%	3,050	Slowdown with similar profile to GFC experience
Food & Liquor Licenses	664	10%	30%	30%	169	New businesses replacing some failed ones
Parking Fines	664	10%	20%	15%	97	Reduction in CBD activity
WOF/Rego Fines	613	10%	25%	20%	111	Reduction in CBD activity
Commercial Property	2,908	25%	50%	25%	547	Incentives required to avoid vacancies
Parking Rentals	218	9%	26%	15%	33	Reduction in CBD activity / lower demand
Library Fines	101	50%	100%	65%	65	Closed until in Level 2
iSite Sales	130	90%	100%	95%	59	No international travel in 2020/21
TOTAL WDC	<b>159,328</b>	<b>4%</b>	<b>16%</b>	<b>6.6%</b>	<b>9,950</b>	

	Annual Plan 2020 - 21 \$000	LTP Year 3 2020 - 21 \$000	Variance
<b>Revenue</b>			
Rates	106,462	106,072	390
Development and other contributions	6,100	4,952	1,148
Subsidies and grants	22,108	20,190	1,919
Fees and charges	16,155	15,635	520
Interest revenue	781	41	740
Other revenue	13,037	13,396	(360)
<b>Total revenue</b>	<b>164,643</b>	<b>160,286</b>	<b>4,357</b>

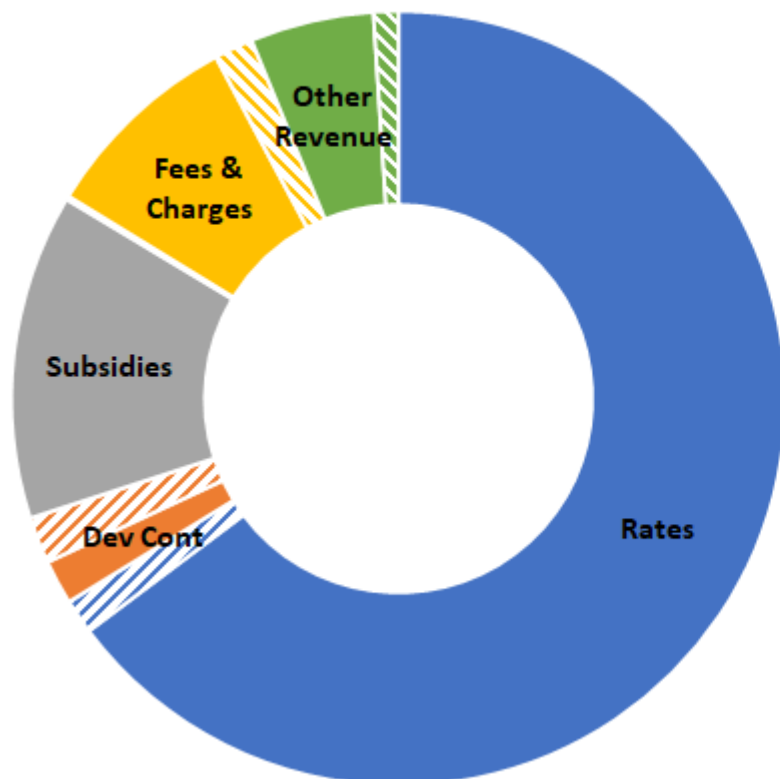
54

Best Case 2020 - 21 \$000	Variance to AP
106,455	(7)
3,000	(3,100)
22,108	-
14,526	(1,629)
781	-
11,399	(1,637)
<b>158,270</b>	<b>(6,373)</b>

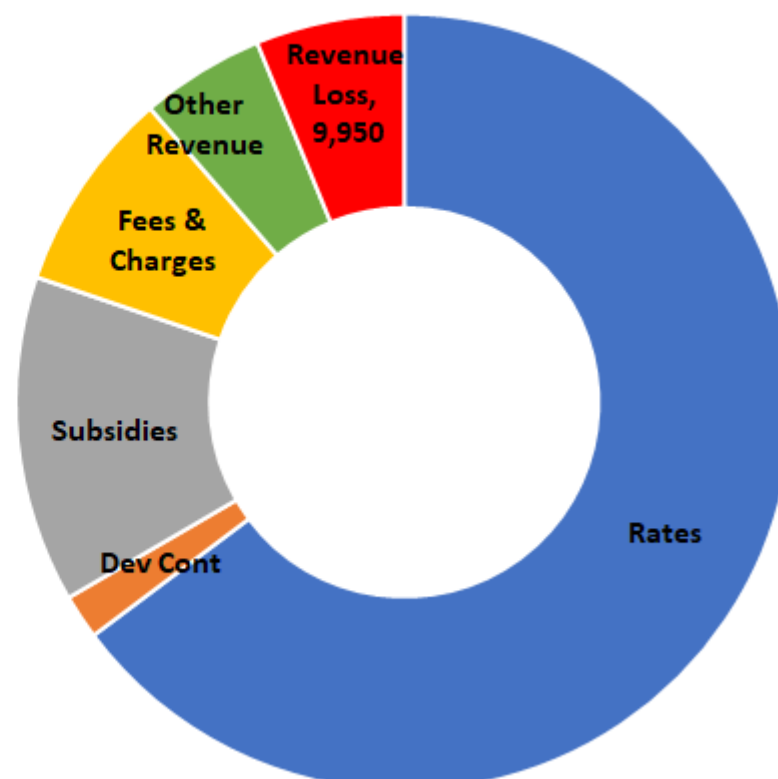
Worst Case 2020 - 21 \$000	Variance to AP
101,815	(4,646)
(0)	(6,100)
15,427	(6,681)
11,638	(4,518)
781	-
10,565	(2,472)
<b>140,226</b>	<b>(24,417)</b>

Revised 2020 - 21 \$000	Variance to AP
104,131	(2,331)
2,989	(3,111)
21,867	(241)
13,559	(2,596)
781	-
11,366	(1,671)
<b>154,693</b>	<b>(9,950)</b>

Potential Revenue Loss by Category



Revenue Loss Separated



# Cost Reductions

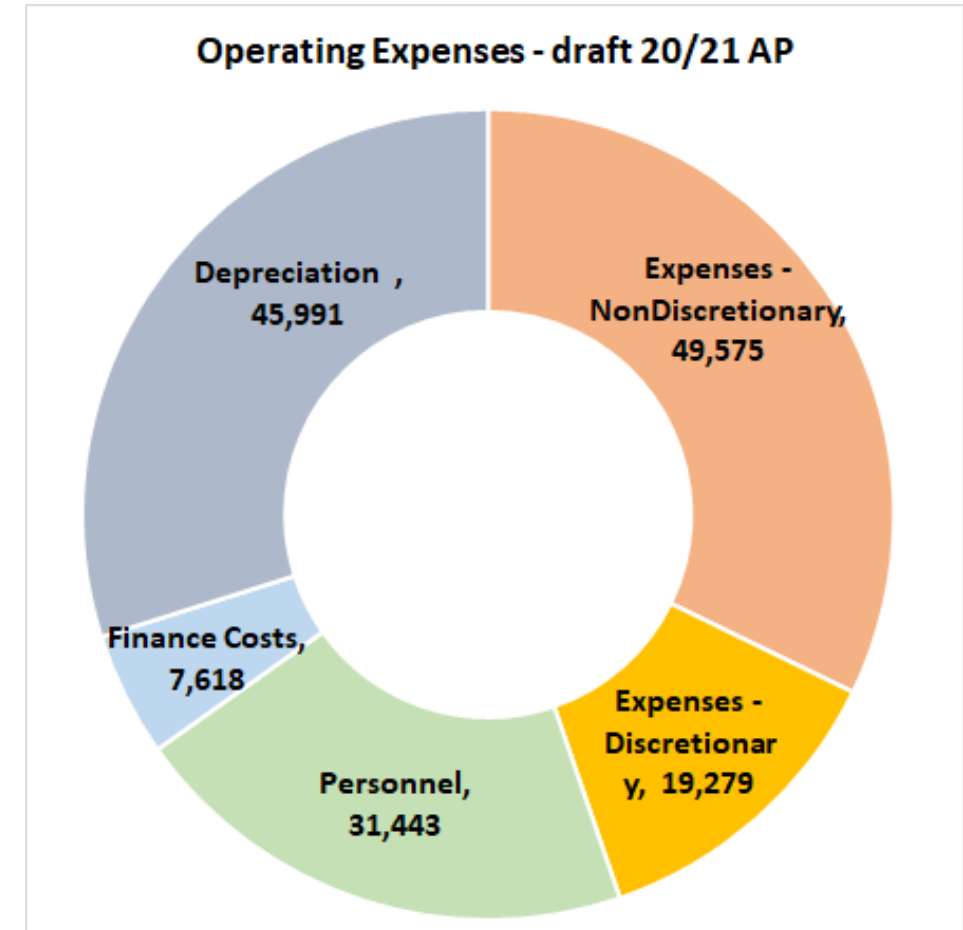
While we have a large Expenditure budget (\$150m+), only a portion can be modified easily.

**Depreciation** (29%) is a non-cash expense driven by an assessment of the remaining useful lives of our assets determined through a structured three-yearly revaluation process. We have no ability to modify this outside that process.

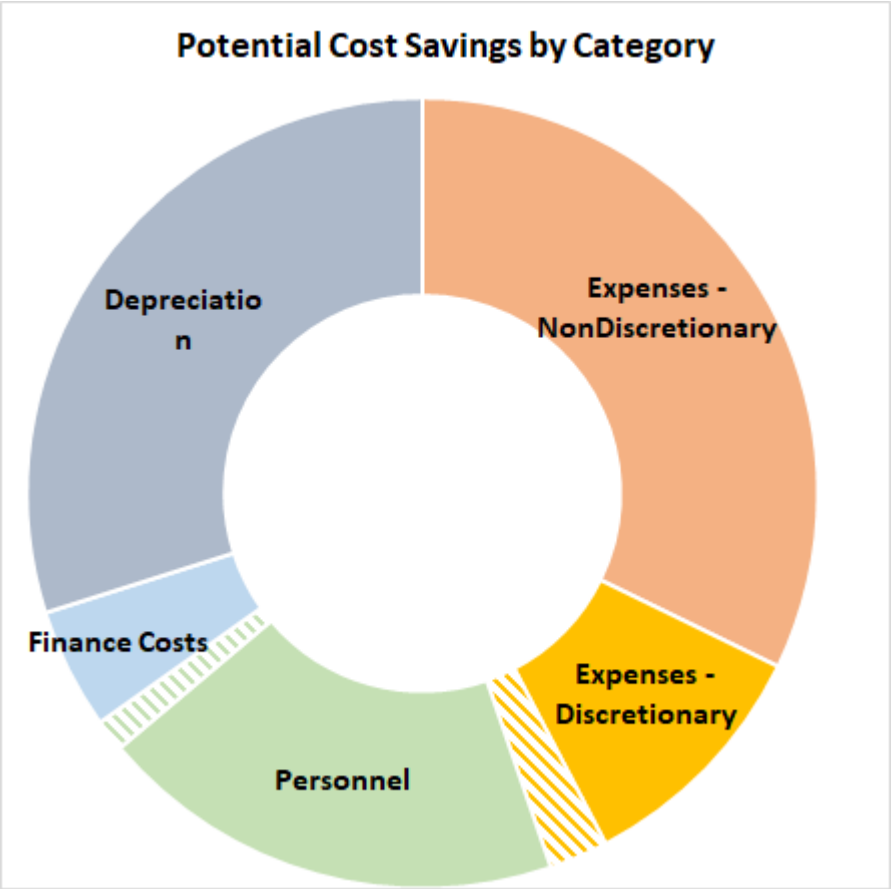
**Finance** costs (5%) are driven by our debt level and positions we have locked in to hedge our interest exposure across multiple debt tranches and terms.

We have a large amount (33%) of **Non-discretionary** cost that we have already committed to via contracts to meet specified service levels, or that have no real ability to control e.g. energy costs, public notices for Council meeting, asset insurance.

This leaves **Discretionary Expenses** (13%) and **Personnel** costs (20%) as the main areas we can make adjustments quickly.



# Cost Reductions



## Personnel Costs \$31.443m

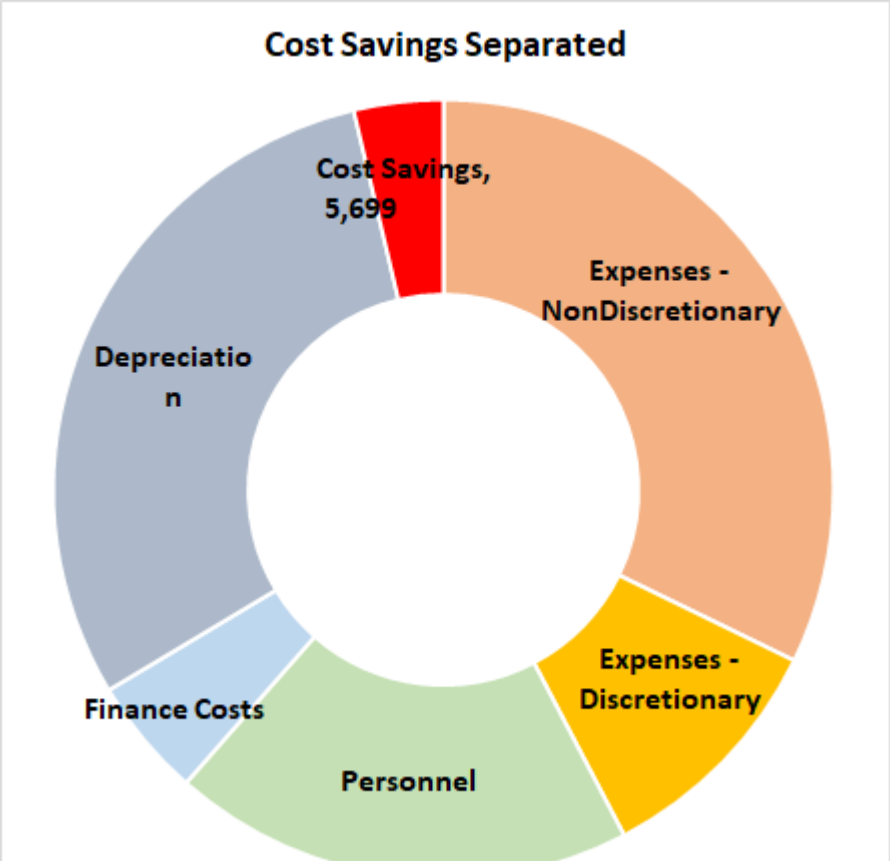
After reviewing current forecasts for Personnel costs for the full 19/20 financial year, a budget reduction of **\$2.0m** has been made for 20/21. While this will leave some unfilled vacancies, this should not lead to any significant service deterioration.

## Discretionary Expenses \$19.279m

A full account listing has been extracted to determine the split between Discretionary (72%) and Non-Discretionary (28%) expenditure.

An assessment was then made against each account code to determine how much could be reduced without significantly compromising long term Service Delivery, Health and Safety etc. long While this has only been completed at a high level at this stage, savings of 19% have been identified.

This equates to **\$3.7m**



# Scenario Modelling – Best / Worst / Assumed<sup>57</sup>

## **Best Case – Budget balanced by \$4m**

Based on a combination of factors that are most unlikely to all occur – the full Rates rise in the draft AP, and a fast local economic recovery while we achieve significant cost savings without impacting service delivery.

## **Worst Case – Budget unbalanced by \$17m**

Based on a zero Rates rise, 50% downturn in local development/construction, 25% reduction in funded NZTA projects, no Development Contributions received and no offsetting cost savings achieved.

***These scenarios, which are both unlikely, have helped to form an assumed scenario to base the revised Annual Plan on:***

## **Assumed Case – Budget balanced by \$400k**

Based on a Rates rise by inflation only, 25% downturn in local development/construction, no reduction in NZTA funding, 50% of planned Development Contributions received and \$6m of cost savings.

*Note: While this scenario has a balanced budget, this was not a specific objective and this may change once more detailed analysis is completed.*



# Scenario Modelling – Best / Worst / Assumed <sup>58</sup>

	Annual Plan 2020 - 21 \$000	LTP Year 3 2020 - 21 \$000	Variance
<b>Revenue</b>			
Rates	106,462	106,072	390
Development and other contributions	6,100	4,952	1,148
Subsidies and grants	22,108	20,190	1,919
Fees and charges	16,155	15,635	520
Interest revenue	781	41	740
Other revenue	13,037	13,396	(360)
<b>Total revenue</b>	<b>164,643</b>	<b>160,286</b>	<b>4,357</b>
<b>Expenses</b>			
Other expenditure	68,855	64,748	(4,107)
Depreciation and amortisation	45,991	41,934	(4,056)
Finance costs	7,618	8,690	1,072
Personnel costs	31,443	30,838	(605)
<b>Total expenses</b>	<b>153,906</b>	<b>146,211</b>	<b>(7,696)</b>
<b>Surplus / (deficit) before taxation</b>	<b>10,737</b>	<b>14,075</b>	<b>(3,339)</b>
Taxation charge	-	-	-
<b>Surplus / (deficit) after taxation</b>	<b>10,737</b>	<b>14,075</b>	<b>(3,339)</b>
<b>Other comprehensive revenue and expenses</b>			
Gain / (loss) on infrastructure asset revaluation	17,959	17,959	-
Gain / (loss) on other asset revaluations	-	-	-
<b>Total comprehensive income</b>	<b>28,696</b>	<b>32,035</b>	<b>(3,339)</b>

Best Case 2020 - 21 \$000	Variance to AP
106,455	(7)
3,000	(3,100)
22,108	-
14,526	(1,629)
781	-
11,399	(1,637)
<b>158,270</b>	<b>(6,373)</b>
65,156	(3,699)
45,991	-
7,618	-
29,443	(2,000)
<b>148,208</b>	<b>(5,699)</b>
<b>10,062</b>	<b>(675)</b>
-	-
<b>10,062</b>	<b>(675)</b>
17,959	-
-	-
<b>28,021</b>	<b>(675)</b>

Worst Case 2020 - 21 \$000	Variance to AP
101,815	(4,646)
(0)	(6,100)
15,427	(6,681)
11,638	(4,518)
781	-
10,565	(2,472)
<b>140,226</b>	<b>(24,417)</b>
68,855	-
45,991	-
7,618	-
31,443	-
<b>153,906</b>	<b>-</b>
<b>(13,680)</b>	<b>(24,417)</b>
-	-
<b>(13,680)</b>	<b>(24,417)</b>
17,959	-
-	-
<b>4,279</b>	<b>(24,417)</b>

Revised 2020 - 21 \$000	Variance to AP
104,131	(2,331)
2,989	(3,111)
21,867	(241)
13,559	(2,596)
781	-
11,366	(1,671)
<b>154,693</b>	<b>(9,950)</b>
65,156	(3,699)
45,991	-
7,618	-
29,443	(2,000)
<b>148,208</b>	<b>(5,699)</b>
<b>6,485</b>	<b>(4,251)</b>
-	-
<b>6,485</b>	<b>(4,251)</b>
17,959	-
-	-
<b>24,445</b>	<b>(4,251)</b>

Balanced benchmark %

101%

104%

103%

89%

100%

Balanced benchmark \$

1,571

6,123

3,996

- 16,746

430

# Rates – Assumptions and Considerations<sup>59</sup>

- Any rates movement (including zero) need to be considered at the individual level  
Ordinarily we set an **average overall** rates movement, with variations greater/less than that for individual ratepayers
- To achieve consistent movements across the entire ratepayer base we can make adjustments to the Rate in the Dollar for each sector

- This will lead to **adjustments to the sector splits**

As discussed in an earlier workshop, sector splits work well when we set our increase at the **overall average** amount.

But following the settlement of rating revaluation objections, this will mean larger increases to Commercial and Rural sectors than are intended if we don't adjust the sector splits slightly. We can review them again in the next LTP.

	BEFORE REVALUATION OBJECTIONS			AFTER REVALUATION OBJECTIONS			
	Land value	General Rates Required	Rate in the Dollar	Adjusted Land value	Land Value Movement	Adjusted Rate in the Dollar	Rate in the Dollar Movement
Commercial	1,250,000,000	18,650,000	0.0149200	1,200,000,000	-4.00%	0.0155417	4.17%
Rural	2,000,000,000	5,600,000	0.0028000	1,900,000,000	-5.00%	0.0029474	5.26%
Residential	11,000,000,000	25,000,000	0.0022727	11,220,000,000	2.00%	0.0022282	-1.96%

- The options under consideration are:
  - 5.2% - Inflation plus 2% plus 1% Growth (included in draft AP)
  - 4.0% - Inflation plus 1% plus natural growth (through new properties added during the year)
  - 2.7% - Inflation plus natural growth
  - 0.5% - Zero increase (apart from natural growth)

# Rates – Assumptions and Considerations<sup>60</sup>

For each scenario, we simply adjust the Rate in the Dollar by the required amount.

This means we can control the increase at the individual ratepayer level.

	19/20	Sector Splits	RiD + 0.0%	Sector Mvmt	RiD + 2.2%	Sector Mvmt	RiD + 3.2%	Sector Mvmt	Sector Splits
Commercial	19,948,000	28.5%	19,416,000	-2.7%	19,842,000	-0.5%	20,036,000	0.4%	27.6%
Rural	6,649,000	9.5%	6,593,000	-0.8%	6,737,000	1.3%	6,803,000	2.3%	9.4%
Residential	43,274,000	61.8%	44,149,000	2.0%	45,102,000	4.2%	45,553,000	5.3%	62.8%
Multi	122,000	0.2%	142,000	16.4%	148,000	21.3%	149,000	22.1%	0.2%
	69,993,000		70,300,000	0.4%	71,829,000	2.6%	72,541,000	3.6%	

With this approach the Residential sector picks up most of the increase over 19/20 and pays a greater share of the total rates – which reflects the recent growth in residential housing.

This also has the effect of reducing the rating burden on the Commercial sector slightly.

# Each option will require a different 'catch up' plan

Assuming this is spread over two years:	21/22	22/23
• Inflation plus 2% (Status Quo)	2% (Inflation) plus 2% plus Growth = 5%	
• Inflation plus 1%	6%	6%
• Inflation only	7%	7%
• Zero increase	9%	9%

*Any future rates increases will come on top of any tax increases to fund the government's relief program....*

stuff

Susan Edmunds · 05:00, Apr 16 2020

business

## Coronavirus: Tax changes coming to pay for Covid-19 response: What could they look like?

Taxpayers can expect to hand over more of their income in future as the Government seeks to recover the cost of its Covid-19 rescue package.

The money being pumped into the economy to offset the impact of the pandemic and resulting lockdown will create the biggest increase in New Zealand Government debt in decades. [ASB chief economist Nick Tuffley has predicted that the debt could run to \\$100 billion.](#)

# Service Levels...

While we can make some expenditure cuts without impacting on our long term delivery against service level targets set out in the LTP, if they are beyond a certain point, or apply for a sustained period, there will inevitably be consequences.

Over the last five years WDC has consistently failed to reach around 25% of performance targets.

Not all of these are directly related to financial resources or physical outputs – many of these are related to public perception measures i.e. we are already under pressure to perform in the eyes of our community.

But if we want to make larger cost savings, we are likely to see service degradation.

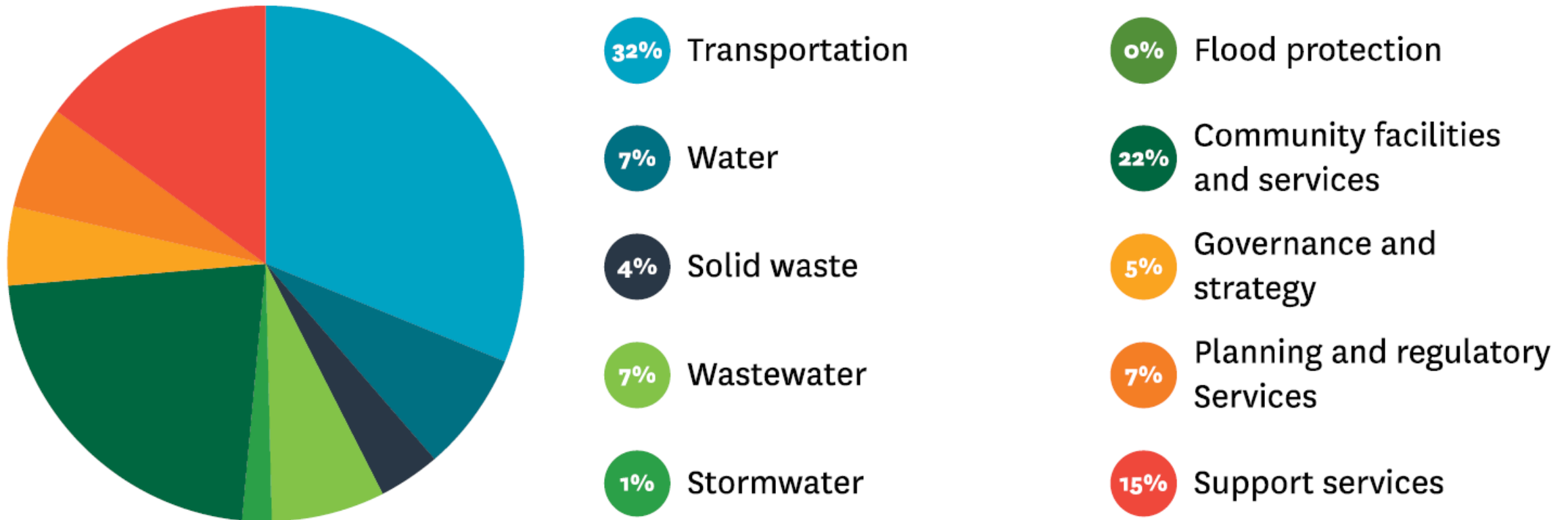
**Which areas, if any, are Elected Members prepared to proactively reduce service levels to accommodate this?**

Changes are not needed straight away – they can be made through next year's LTP process.

However, we could potentially signal a future change through targeted cost reduction now in specific areas if further budget cuts are desired....

# Total expenditure

This chart represents Council's total expenditure by activity and combines the operational expenditure and capital expenditure



## *Other assumptions/recommendations*

To adopt by 30 June we will also need to make assumptions around Capex and Fees and Charges

### **Capex**

- Forecast for \$6m increase to carry forwards (out of 19/20 and in to 20/21)
- Propose a corresponding carry forwards increase out of 20/21 and into 21/22 to maintain level of capex
- Where possible target the same project/programme lines
- However, will also manage opex expense/subsidy impacts to reduce any additional pressure

### **Fees and Charges**

- Fees and charges already adopted or being consulted on
- Unable to meet the statutory requirements to consult (SCP) by 30 June
- Proposed to continue with an LGCI increase and target any support through relief packages

# A quick recap....

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**Consultation** will be triggered by any one of:

- Rates rise less than Inflation plus 1%
- Changes to sector splits
- Unbalanced budget
- Reduced service level targets

**3 Scenarios** developed:

- Worst case - \$17m unbalanced
- Best case - \$4m balanced
- Assumed - \$400k balanced

**Rates Movements** (plus Growth)

- Inflation plus 2% (as per draft AP) Inflation plus 1%
- Inflation only
- Zero movement

**Sector splits**

- Unchanged will lead to greater increases for Commercial & Rural
- If changed we can provide consistent movements for all ratepayers

**Relief Packages**

- Assuming we want them, recognition that they can't be rushed into
- Direction sought re target beneficiaries, funding sources and quantum
- Need to align to COVID response strategy, and develop plan quickly



# Consultation and communication<sup>66</sup>

Council was not proposing to consult (no material changes to Year 3) however like all Councils we are having to adapt to COVID – 19

A consultation / communications plan is being developed to acknowledge the limitations of COVID-19, meet the principles of the LGA and allow us to adopt as close as possible to 30 June. Critical to this is targeting consultation, and adjusting the ways we consult:

- A concise (6 – 10 pgs) consultation document (CD) focused on the material issue only – our response to COVID-19
- Adoption of CD and supporting information (i.e. full financials and analysis of rating impacts ) 8 May (TBC)
- Consultation period of 2 weeks (subject to legal advice)
- No physical meetings (both time and COVID Alert restrictions will limit our ability for these)
- Distributing and promoting the CD through multiple channels including:
  - Electronically - Council's website, Facebook, Radio
  - Physically – Print media, supermarkets, Council facilities if allowed under Level 2 (alternative options for Level 3)
  - Community, Resident and Ratepayer groups, Te Huinga and stakeholders
- Submissions made electronically, via post and/or delivered to Council offices
- People in over 70 / vulnerable categories being able to provide a verbal telephone submission
- Alternative mechanisms to present views (no hearings)



To adopt by 30 June we have assumed:

- Clear direction at each step of the process
- Limited input/review steps (i.e. no review of draft documentation, page turns etc)
- Very targeted consultation and deliberations
- A two week consultation period (legal advice is being sought on this, if required four weeks will result in late adoption)
- No formal hearings

# Next Steps

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Based on the direction provided today we will:

- Prepare an agenda item for the 30 April Council meeting recording the direction given and recommending the Annual Plan proceeds on the selected basis e.g. Condensed consultation process on selected items
- Complete more comprehensive financial analysis and rates modeling to verify the information compiled to date
- This will include cashflow forecasting, debt/interest calculations, determining the impact of OpEx and subsidies associated with any CapEx projects being carried forward to 20/21 (as well as any pushed forward to 21/22) and the cost allocations to each Activity so we can prepare Funding Impact Statements.
- Prepare a report outlining the basis of a Relief package (if it is decided to proceed)
- Commence the drafting of a Consultation Document and all Supporting information required



## 6.4 Establishment of Commercial Property Committee

**Meeting:** Whangarei District Council  
**Date of meeting:** 30 April 2020  
**Reporting officer:** Rob Forlong (Chief Executive)

### 1 Purpose

To establish a Commercial Property Committee as a Committee of Council for the 2019-2022 term and adopt the Terms of Reference.

### 2 Recommendations

That Council:

1. Note the advice from the Property Group dated 10 March 2020, on the options for governance of Council's Property Policy.
2. Note the establishment of the Commercial Property Committee under Section 41A of the Local Government Act 2002, with the following membership:

**Chair:**

Deputy Mayor Greg Innes

**Committee Members:**

Councillor Gavin Benney  
 Councillor Ken Couper  
 Councillor Shelley Deeming  
 Councillor Phil Halse

3. Adopt the Commercial Property Committee Terms of Reference.
4. Authorise the Chief Executive to amend Section 7 (Property Governance) of Council's Property Policy to reflect the purpose, responsibilities and delegations of the Commercial Property Committee as set out in the Terms of Reference.

### 3 Background

Under Section 41A of the Local Government Act (LGA) 2002 the Mayor has the power to establish committees, appoint the chairperson, and determine the membership of each committee of the territorial authority.

The Mayor has chosen to exercise these powers in relation to establishment of a Commercial Property Committee, including appointment of the chair and committee members.

Council is asked to consider and adopt the purpose, responsibilities and delegations as set out in the terms of reference.

The draft Terms of Reference for the Commercial Property Committee is included as **Attachment One**.

## 4 Discussion

### 4.1 Current governance arrangements for commercial property

Council holds a commercial property portfolio consisting of properties held as investments and able to provide a commercial return to Council. This includes a mix of commercial freehold and perpetual ground lease sites.

The operational management of the commercial property portfolio sits within the Planning and Development Group of Council.

Council's Strategy, Planning and Development Committee has responsibility for commercial property to the extent that this responsibility can be devolved by Council.

Council's current Property Policy also includes a mechanism around property governance as follows:

*"To enable property decisions to be dealt with in a commercial and prompt manner, all property acquisition and disposal shall be considered by the Mayor and Chair of the Finance Committee in the first instance, and then by full Council. Council may engage with external advisors with relevant skills and experience as required."*

Council's Property Policy is included as **Attachment Two**. The policy needs to be updated to align with the recommendations in this report.

The Property Group has been working with Council to provide independent strategic advice on the management and future enhancement of the Council's Commercial Property portfolio including the development of a Commercial Property Prospectus to support optimal management of Council's portfolio. The Prospectus was presented to Council at a workshop on 20 February 2020, with discussion on options for the structure, governance and operation of Council's commercial property portfolio. Members requested further analysis of the options for presentation to Council. Formal advice on the options from the Property Group is included as **Attachment Three**.

Based on the advice from the Property Group, this report recommends the most effective governance structure to deliver the objectives of Council's Property Policy and associated Commercial Property Prospectus.

### 4.2 Governance options

The Property Group provided pros and cons for each governance option with reference to the levels of delegation, commercial agility, and cost.

The conclusion was that a small steering group (Council Property Board or Governance Group) would be best option to provide a specialised focus on commercial property, and to provide clear recommendations to Council.

The report recommended Council consider delegations, voting rights and other matters relating to the preferred option. These matters are covered below.

### **Delegations under Legislation**

Schedule 7 clause 32(1)(c) of the Local Government Act 2002 (the Act) prevents Council from delegating responsibility for the purchase or disposal of assets, other than in accordance with the long-term plan.

The 2018-2028 Long Term Plan (LTP) states that investment portfolio properties will generally not be sold unless Council identifies compelling reasons for reinvestment, such as investment in future infrastructure. Non-strategic properties may be sold provided due process is followed. The current LTP includes a list of Council's strategic properties.

Council will need to consider the status of Council's commercial properties, including any indication of intended sale of existing properties, or purchase of new properties, as part of the next long-term plan.

Under Council's Significance and Engagement Policy, the transfer of ownership or control of strategic assets requires a Special Consultative Procedure in accordance with Section 83 of the Local Government Act 2002.

There are other legislative restrictions on the management of Council assets as set out in Council's Policy.

### **Membership and voting rights**

Membership of the Committee will comprise five elected members including the Chair.

Council's Property Policy notes that external advisers with relevant skills and experience may be engaged as required. The Committee will include two external appointees who will act as advisors rather than members, without voting rights.

The Chief Executive will conduct a contestable process to identify two suitable candidates.

### **Alignment with Council's Governance Structure**

The Commercial Property Committee will act on instruction from Council, or make recommendations to Council, for matters outside its delegation.

The most efficient option is therefore for the committee to be a Specialist Committee of Council. It is recommended that the Chair of Strategy, Planning and Development Committee be included as a member to provide linkage to that committee's responsibility for commercial property.

### **Summary**

The draft Terms of Reference for the Commercial Property Committee complies with:

- Council's Property Policy (subject to amendment of section 7 in relation to property governance to align with the recommendations in this report).

- Council's legislative obligations in relation to delegations, voting rights and management of Council assets.

#### **4.3 Financial and budget considerations**

Elected member remuneration was agreed at the 19 December Council meeting and has subsequently been approved by the Remuneration Authority.

Changes to Council's governance structure, such as the appointment of a new chairperson, may require allocation of the remuneration pool if the position is deemed to be a position of additional responsibility.

The Deputy Mayor is remunerated as a position of responsibility under the remuneration pool, therefore the recommendation is that no changes are made to current remuneration allocations as the Committee Chair role would be deemed to fall within the Deputy Mayors responsibilities.

The estimated cost of remunerating external advisors to the committee can be met from within the 2019-20 annual operating budget and will be considered as part of Annual Plan processes for future years.

#### **4.4 Impact of COVID 19**

The impacts of COVID-19 on this decision have been considered. There may be some restrictions on committee meeting being held during COVID-19 lockdown, as determined by Council. There are no longer term impacts expected.

### **5 Significance and engagement**

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via the agenda publication on Council's website.

### **6 Attachments**

1. Draft Terms of Reference Commercial Property Committee
2. Whangarei District Council Property Policy (0078)
3. Memorandum from The Property Group - Options for the Structure, Governance and Operation of Whangarei District Council's Property Portfolio



## Other Committees

### Commercial Property Committee – Terms of Reference

#### Membership

<b>Chairperson</b>	Deputy Mayor Greg Innes
<b>Members</b>	Councillors Gavin Benney, Ken Couper, Shelley Deeming, Phil Halse
<b>Meetings</b>	As required
<b>Quorum</b>	3

#### Purpose

- To manage disposal of individual properties within Council's commercial property portfolio, and;
- To manage purchase of individual properties for Council's commercial property portfolio

#### Key responsibilities

- The purchase and disposal of commercial properties specifically identified in Council's Long Term Plan (LTP)
- The purchase and disposal of commercial properties as authorised by Council, where these are not specifically identified in the LTP

To undertake these responsibilities:

- in accordance with the delegations and parameters set by Council for each individual property transaction.
- in accordance with Council's Policies including, but not limited to, the Property Policy, Procurement Policy, and the Significance and Engagement Policy.
- in accordance with Council's strategies and plans, including but not limited to, the City Centre Plan, to achieve the desired outcomes.
- Ensuring the interests of Maori under the Treaty of Waitangi are considered in accordance with Parts 2 and 6 of the Local Government Act 2002.

#### Delegations

- (i) All powers necessary to perform the committee's responsibilities, including:
  - (a) establishment of working parties or steering groups.



# Whangarei District Council Policy

## *Property Policy*

## *Policy 0078*

Adopted March 2010

Reviewed 28 March 2012

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Policy title			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Property
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## 1 Purpose

The role and purpose of the Property Policy is to:

- articulate the guiding philosophy of Council in considering decisions about the acquisition, management and disposal of property assets and any associated risks
- define the policy framework within which specific property related decisions are to be made
- identify the specific property related objectives of Council, as a basis for determining the need for and priority accorded to individual transactions; and
- define the management and decision making framework governing specific property decisions.

## 2 Property Objectives and Issues

A key objective is to provide Council with an opportunity to be involved in future development that contributes to the sustainable development of the District. This may include the acquisition and retention of a range of properties that may provide a long-term source of income for Council. Fundamental to this approach is that Council seeks to achieve a range of objectives in a way that is commercially robust, while accepting that this might compromise financial returns.

This Property Policy sits alongside other organisational strategies in establishing a consistent approach to property management, based on a clear understanding of the requirements of Council and the services it delivers. Those strategies and documents set out the framework for managing assets and spaces. For instance, the *Reserves Strategy* is a framework setting out the principles and objectives for supplying and managing the District's reserve network. Additionally, Council's *Asset Management Plans* (AMP's) direct Council's stewardship role for physical assets.

Council seeks to achieve a range of outcomes and gives consideration to the following:

- Income stream
- Council's asset base
- Positive Economic Growth
- Key development objectives
- Public access to recreational amenities
- Community objectives
- Ecosystems
- Cultural heritage
- Development of property amenities/destinations

The relative weighting placed on these outcomes will vary by property type as included in Appendix 1. Councils overall role and the specific objectives of the Property Policy may conflict on occasions. Issues of this type should be presented to Council who will recommend an appropriate course of action.

## 3 Property Management Principles

The management of Council's property portfolios shall be guided by the following principles:

- Whangarei District Council should only retain ownership and control over those properties that:
  - Are necessary for the efficient and effective performance of its functions
  - Council is otherwise legally required to control
  - Fit defined strategic and/or investment criteria

Where properties do not meet these criteria consideration should be given to their disposal

- All properties must be managed and maintained to deliver acceptable and affordable levels of service in line with the outcomes defined for their classification

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- Asset management decisions should be integrated with strategic planning to form part of the overall framework of decision-making for Council.
- This framework will assist in identifying opportunities to improve asset performance, to alter the mix of assets used, and/or to explore non-asset solutions.

## 4 Council's Property Portfolios

Council owns a diverse range of properties in freehold and perpetual leasehold tenure. Properties may be identified as strategic or non-strategic or future purpose. In general terms "future purpose" land is identified in documents (such as 20/20: Living the Vision, Sustainable Futures 30/50) while "strategic assets" are adopted by Council that meets the legal definition defined within s5 of the Local Government Act.

A broad classification of Council properties is:

### 4.1 Commercial Property Portfolio

This includes all Council owned properties held as investments and able to provide a commercial return to Council, and includes a mix of, non-strategic and future purpose sites.

Strategic investment portfolio properties will generally not be sold. Future purpose and non-strategic properties may be sold, provided due process is followed.

- *Ground Lease Portfolio* – mainly properties inherited from the Northland Harbour Board after Local Government amalgamation in 1989.
- *Commercial Freehold Property* – various commercial / light industrial sites in the CBD environs.
- *Town Basin* – a boutique shopping and casual dining precinct developed by Council with recreational amenity value.
- *Central City Carpark* – a multi-level parking building in the CBD.
- *Parihaka Transmission Mast* – the dominant transmission facility in the District.
- *Future Use* – sites acquired for future development or to aid future urban development or infrastructure needs.

### 4.2 Council Services Portfolio

These are the properties used by Council for the business of Council and provision of services to its stakeholders, both now and in the future. This includes property held for:

- *Civic purposes* – for administration and delivery of Council services, including libraries
- *Community purposes* – for halls, community centres
- *Whangarei District Airport* – a joint venture with the Ministry of Transport
- *Residential property* – pensioner housing, residential housing
- *Special purposes* – Bus Terminal, quarries, marinas
- *Future use* – land banking
- *Other property* - This includes various landholdings accumulated over the years that are no longer used to provide Council services, and are generally non-strategic in nature.

### 4.3 Council Infrastructure Portfolio

These are properties that are held and managed by the WDC Infrastructure & Services Group. While the Property Department may be asked to assist with acquisition, development or disposal of these sites, it does not play an active role in their management.

- *Services and utilities* – for water, storm water or waste water facilities
- *Roads and transport* – Roads, car parks (other than John St and Town Basin), bus shelters
- *Forestry Assets* – a portfolio of small pine forests, many of which are planted on drinking water catchment areas

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- *Future use* – land banking, future infrastructure or recreation development e.g. roads, sports fields
- *Parks and Reserves* – public open space which may or may not be classified as reserve (Reserves Act 1977) including sports fields, cemeteries, civic spaces, public gardens, walkways, access ways, esplanade reserves, native forest, conservation and catchment areas, land acquired for green belts, etc.

Most of these are strategic properties (as identified in the LTP), which will not be sold. However in some cases the status will change to non-strategic (for instance, where infrastructure needs change) and may be considered for disposal.

## 5 Key Legislation

Council must have regard for the specific provisions of various pieces of legislation in managing its property portfolio. As well as the general legislation covering all property issues in the private sector, there are additional issues to consider, including:

### 5.1 Local Government Act 2002

Council's powers, functions and obligations are governed by the Local Government Act 2002 (the LGA). The LGA both enables and requires local government to approach property in an organised and strategically consistent manner. The power of general competence given to local government under the LGA makes it possible for Council to act as would any other person or organisation in pursuit of its objectives. However, this expansion of capability comes with a series of obligations to:

- explore options and alternatives
- provide responsible stewardship
- conduct business in an efficient and prudent manner
- have regard for the delivery of agreed community outcomes.

Council is required to manage its property assets that meet the requirements of the LGA. In particular, Council is obliged to have regard to the need to identify those property assets that are considered "strategic" within the meaning of s.5 of the Act, being

*"an asset...that Council needs to retain if Council is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future wellbeing of the community".*

Where an asset is deemed to be of significance under this provision, it may only be disposed of after a special consultative procedure, which may include consultation under the annual review of the LTP.

Other parts of the LGA that have particular relevance to the way Council addresses property matters are:

- Part 6 – Planning, decision-making and accountability
  - s 76 – 81 Decision making
  - s 82 – 90 Consultation
- Part 7 – Specific obligations and restrictions
  - s 137: Partnerships and joint ventures
  - s 138: Restrictions on disposals of parks
  - s 140: Restrictions on disposal of endowment property
  - s 141: Conditions applying to sale or exchange of endowment property
- Part 8 – Regulatory, enforcement and coercive powers
  - s 189: Power to acquire land
- s 190: Compensation payable by local authority for land taken or injuriously affected

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## 5.2 Public Bodies Leases Act 1969

The Public Bodies Leases Act 1969 (PBLA) sets out the powers and mechanisms for Council to undertake leases on land.

## 5.3 Public Works Act 1981

The Public Works Act 1981 (PWA) contains provisions enabling Council to acquire land for defined purposes. Additionally, the PWA enables government infrastructure entities (such as NZTA) to acquire land from Council and others, for example for road widening purposes.

The PWA is directive in setting out the methodologies for consultation and acquisition.

## 5.4 Reserves Act 1977

The Reserves Act 1977 applies to all public land that has been vested or gazetted under the Act. This Act does not apply to all parks land in Whangarei however where the Act does apply, the process of land disposal, including consultation and decision making, is directed by that Act.

## 5.5 Resource Management Act 1991

Whangarei District Council is required by the Resource Management Act 1991 (RMA) to prepare and amend the District Plan, enabling community involvement and seeking “to promote the sustainable management of natural and physical resources” within the district. In particular, provision is made within the District Plan for the provision by the development community of land (and associated assets) for infrastructural purposes including roads, water services, parks (including esplanade reserves), stormwater ponds, etc. that may be vested in Council.

# 6 General Policy Considerations

Council is required to make strategic and policy decisions that impact the management of the property portfolio, and this policy must therefore be considered within the broader context. While these documents will vary from time to time, current items include:

## 6.1 Council’s Long Term Plan (LTP)

The LTP is a requirement of the LGA that sets out a ten year plan for how Council will deliver its services to help achieve agreed community outcomes. As well as providing a basis for financial planning and an accountability framework to the community, it sets out levels of service for key areas of activity, including Property. The property portfolios must be managed to meet these levels of services, and this policy helps to ensure that.

## 6.2 Growth Strategy – Sustainable Futures 30/50

Whangarei District experienced significant growth over the period 2001 to 2008. Although growth has slowed in line with global and national trends, future growth for the district is projected to continue and in some parts of the district, particularly in the Marsden Point/Ruakaka area has the potential to be substantial. To manage the projected growth sustainably, Whangarei District Council has formulated the long term Sub-regional Growth Strategy entitled “*Sustainable Futures 30/50*”, that identifies economic drivers of development, assesses future growth potential, determines existing and potential land use patterns, and assesses and plans for infrastructural requirements for the district over a 30-50 year time frame. The implementation plan for this strategy was adopted in April 2013.

It has particular relevance to property matters in terms of urban development and the acquisition, development and management of strategic and other properties.

## 6.3 WDC 20/20: Living the Vision

Council’s *20/20: Living the Vision* and *20/20: Plus* set out the conceptual framework for urban development, with revitalisation of the CBD as the primary objective. It proposes various ‘precincts’ where development of similar types could occur, such as a cultural precinct around Forum North and a ‘visitor destination’ in the Town Basin Precinct.



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It has been developed as an information memorandum to invite prospective developers to engage with Council over the long-term development of the CBD.

## 6.4 'Sense of Place'

In 2011 it was the preparation of the Growth Strategy "Sustainable Futures 30/50" that highlighted the importance that Sense of Place (SoP) would have in respect of creating a sustainable District. It was highlighted that the District will compete both nationally and internationally for skilled people who will meet the needs of current and future generations and make our community sustainable. If Whangarei District is to be successful, it needs to also focus on ensuring a commitment to developing a resilient SoP to attract and return people.

## 7 Property Governance

To enable property decisions to be dealt with in a commercial and prompt manner, all property acquisition and disposal shall be considered by the Mayor and Chair of the Finance Committee in the first instance, and then by full Council. (unless as described below).

Council may engage external advisers with relevant skills and experience as required.

Council will normally meet monthly to discuss property matters, with urgent meetings convened as requested. Council will discuss and make recommendations re the selling or buying of non-strategic properties within the Commercial Property Portfolio, so better rental yields or more desirable ownership options can be achieved, provided the overall gross value of the investment portfolio is maintained. (It is accepted that cyclical property valuation changes will occur.)

All Future Purpose properties will be identified including acquisition and disposal decisions affecting those properties.

Council will also consider the acquisition or disposal of Council Services Properties and Infrastructure Properties that have been properly identified and approved through an Annual Plan or LTP process, with the exception of minor Road and Parks legalisation.

In the event land is vested to Council through subdivision or other legislative means (e.g. Esplanade Reserves), the acquisition and/or disposal shall be reported to Council upon completion of legal processes.

In the event that Council land is proposed to be disposed of through the Public Works Act (i.e. taken by Government), all such proposals shall be considered by Council.

Council shall ensure that the pool for Commercial Portfolio investment shall increase over time.

## 8 Business Plan for Commercial Property

Council will have a Business Plan for Commercial Property, which sets out how Council's property business will be managed. As this will contain commercially sensitive property strategies, it will be presented to Council as a confidential document. The plan will be reviewed annually.

## 9 Property Funding

Council can consider borrowing against the total value of the investment property portfolio for the purpose of further developing the portfolio. All proposals must be aligned to the Business Plan for Commercial Property and not be speculative. Any proposal would be pending a resolution of Council.

Advice from suitably qualified external advisers with relevant skills and experience must be sought.

Servicing any borrowings of this type shall be a first charge against commercial rental incomes.

## 10 Property Disposal

Council may release funds from its property assets on a planned basis from time to time to finance other initiatives. The disposal of property assets will arise in a number of ways, including:

- disposal of land held for future development purposes once the project for which it was acquired is ready to proceed
- disposal of property found to be no longer required for the purpose for which it was acquired

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- disposal of property held for community purposes where non-ownership solutions have been found to offer superior outcomes
- disposal of property to private ownership where Council are satisfied that wider objectives are met e.g. land held for future urban development
- trading or tactical disposal of investment assets.

Wherever practicable, property disposal will be timed to take maximum advantage of market conditions, and the financial return optimised, subject to relevant legal requirements.

In the case of minor or hard to sell properties, the cost of disposal relative to the ongoing cost of ownership will be a factor in deciding whether disposal is warranted.

## 10.1 Disposal process

As a public entity, it is preferable for any property disposal to be conducted in a way that is visible and open to all parties to participate in. However, this can compromise the outcomes sought in managing property assets in the most effective way.

Unless there are compelling reasons otherwise, property disposals will usually be conducted via an open tender or auction process. However, where the majority of Councillors determine that a disposal should be managed another way they can do so, provided the disposal furthers previously agreed objectives.

While sale on the open market offers the benefit of being a completely open and transparent process that helps to set the 'true market value' at a particular point in time, it focuses the transaction on financial issues, whereas there may be other interests or perspectives that Council needs to consider in terms of its overall role in protecting and enhancing the ratepayers' interests. These could include:

- the overall package of benefits offered by the transaction in relation to Council's objectives and current policies
- redevelopment of the property in a manner that provides benefits to the District which are not expected to be provided if a contestable process is adopted
- the timing of a sale by private treaty could allow an opportunity to be captured which sale by a contestable process would not
- at times it will be important to see immediate development of a site, rather than speculation or land banking
- redevelopment of the property by a known entity could lead to a treatment that is consistent with Council's overall development plans for the District.

These matters should be considered in relation to each disposal, with the best course of action determined for that particular transaction.

## 11 Property Reinvestment Reserve

A Property Reinvestment Reserve (PRR) has been created to fund the ongoing growth and development of the Commercial Property Portfolio.

The net proceeds of the disposal of any property in the Commercial Property Portfolio are to be invested in the PRR.

Any sale of Council Services Property or Council Infrastructure Property may also have a portion transferred to the PRR. Council may nominate the portion to be applied at the time of disposal (recommended to be in the range of 20% of the net realisation).

Funds from the PRR can be advanced to Whangarei District Council as Council debt (i.e. internal lending), either for specific projects or to temporarily offset bank debt. When advanced to Council an interest return of not less than Council cost of funds shall be paid and applied as Council general revenue. Where funds are borrowed from the PRR, they are to be repaid within a seven year period from drawdown. When repaid, provided the funds are not required for property purposes they may be re-advanced to Council as internal lending. At the end of each financial year a dividend shall be transferred to the PRR. The dividend amount will be calculated as a return on the PRR balance and in general should be no less than 2% of the gross PRR balance. The dividend is to ensure the balance of the PRR is inflation protected and maintains buying power for future property investment

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## 12 Property Management

Council's Property Department shall be resourced to provide:

- property services to Council in accordance with property management best practice
- operational property management (where Council is landlord)
- property investment (maximising commercial rents, undertaking capital works, tenants' landlord, buying and selling properties)
- reporting to Council all exceptions to best practice, significant refurbishment requirements and risk matters
- feasibility studies as required Council and to engage consultants as required to ensure a full complement of property skills are available to Council
- community housing (housing and support as landlord to tenants)
- management and property consultancy to other Council departments.

## 13 Property Development

Council may consider the subdivision and sale of land to achieve the outcomes required to satisfy its population, economic, infrastructure, reserve and transport network objectives.

Council may actively consider becoming involved in property development where appropriate or necessary to:

- act as a catalyst for private sector development and investment, where it is thought that the level of perceived risk would deter private sector developers in rural towns
- control the form, scale and timing of development
- capitalise on increasing land prices and thus deliver a return to the ratepayers of the District.

Council will not normally compete with private developers in areas where successful development outcomes can be achieved through alternative strategies. However, Council should actively monitor and implement opportunities to capture value from the development of its land, including:

- development joint ventures
- selective withholding of land from sale to capitalise on rising prices
- ground leases, with the rent tied to unimproved capital value
- deferred payment schemes on land sold for future development, where the final purchase price is structured so as to capture some of the development "profit".

## 14 Urban Development

Council may from time to time selectively acquire or retain such interests in property as may be required to achieve its urban development priorities. This will include property to support the development of the necessary service, social and community infrastructure and property seen as vital to achievement of urban consolidation, good urban design (including reserve networks) and/or integration of transport infrastructure and land use. Council will also continue to explore the creation of effective partnerships to achieve these objectives.

Council will undertake specialised studies in the rural areas, which may result in the need for strategic purchases of land and/or provision of infrastructure to provide for future needs in terms of increasing growth and urbanisation.

In order to facilitate such land purchases in an environment of rapidly changing prices, Council recognises the need for property acquisition processes and management structures that will allow rapid responses to specific opportunities in the property market and/or the ability to take specific initiatives ahead of likely developer interest.

Objectives underpinning such acquisitions will be defined in each case in terms of:

- i the ability to control the pace, scale and style of development in the town or rural centre

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- ii economic, social and environmental benefits to the District and its ratepayers that might be obtained through a medium-term strategy of holding property as an appreciating investment; and
- iii exploitation of Council's land ownership to encourage appropriate private sector investment or development.

Formulation of these objectives will have regard to the need to manage potential conflicts of interest arising from the multiple planning, regulatory and ownership roles of Council, and the need for equity and transparency in all matters involving Council either acting in direct competition with private sector ratepayers or taking other initiatives that might directly or indirectly advantage particular parties.

Council will also identify and develop effective relationships with other stakeholders including:

- affected communities including business communities
- private sector developers
- existing and potential providers of service, social and community infrastructure
- existing landowners, whose properties can contribute to required outcomes
- transport operators and infrastructure providers.

## 15 Risk Issues

As a local authority Council has a relatively low appetite for risk, and property issues should accordingly be managed on a conservative basis. Any decisions and actions should have regard for various categories of risk:

- Financial** Shortfalls in budgeted revenue due to unpaid rents/leases, vacancies, uninsured damage, losses on development projects, loss on disposal etc.
- Reputational** Service failures, negative media coverage in relation to sale/purchase decisions, evictions, recovery of outstanding rents etc.
- Legal** Terms and conditions of leases/agreements, legislative requirements around disposals, including consultation requirements, operating within delegated authority etc.
- Loss or Damage** Fire, flooding, earthquake, vandalism etc.

Mitigants for these risks will be established for every category of property, with operating procedures established as required. Examples include:

- use of standard legal documents for all leases
- comprehensive insurance cover for all assets
- outsourcing of high-risk activities to third parties to reduce reputational risk
- monitoring of rent arrears, with early intervention.

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## Appendix 1- Property Management Objectives by Portfolio

The objectives for each property portfolio are:

### 1 Commercial Property Portfolio

Council's overall Commercial property investment strategy objectives include:

- investing in property that has a clear economic benefit to Council by meeting the minimum forecast average annual return on capital invested in accordance with Council investment guidelines. Specific targets will be set for each property class within the portfolio
- investing in property that provides cash returns
- investing in property that has specific policy objectives, including urban regeneration, social or community benefit to Council (this will need to be defined but may include the acquisition of suitable properties where there is an urban design or aesthetic quality that provides a demonstrable benefit to a community).

### Commercial Property Acquisition

Council will undertake a programme of selectively acquiring property with the specific purpose of utilising its growth in value to finance the increased demands generated by the management of growth. Where possible, such acquisitions should also serve a future purpose in terms of urban design or economic development considerations. Council will also seek to increase, over time, its portfolio of income-producing properties to supplement its income from rating. Considerations in this regard include:

- the acquisition and ongoing ownership of investment properties will be assessed on the basis of portfolio management principles, including asset diversification (to spread risk) and the ability to generate financial returns (from holding income and capital gains) superior to that obtainable from other investments.
- any decision to hold property assets for investment purposes must address the potential for conflict of interest between Council's different roles, and the total economic cost of ownership (including any future need for development finance).
- analysis of the total cost of ownership should be undertaken for each investment property, including maintenance costs (based on lifecycle costings) and holding costs.
- condition assessments and asset management plans should be prepared for properties.
- exit strategies in the short, medium and long term should be developed so as to provide a clear framework for evaluating the benefits of ownership.

### Objectives by Classification

#### 1.1 Ground Lease Portfolio

This category is primarily composed of land vested to Council from the Northland Harbour Board after local government amalgamation in 1989. The bulk of this land is 'endowment land' which is subject to specific provisions under the LGA. The sites are held under perpetual ground lease, with rent review periods ranging from 5 to 21 years.

Council owns the freehold title to these sites, but lessees have perpetual ground leases that are renewable at their discretion. They also own all improvements on the sites e.g. the buildings and any additional site-works.

In general terms, the blocks that mainly comprise waterfront sites in the inner Whangarei Harbour above the harbour crossing from Pohe island, (Lower Dent St, Herekino St, Upper Port Road) are viewed as future purpose sites, while those in other areas (e.g. Lower Port Rd, Fraser St, Hewlett St, Kioreroa Rd) are seen as non-strategic. The objectives are:

- maximise cash returns
- reduce rent review periods from 21 years to 5 or 7 years by negotiation
- dispose of non-strategic sites for reinvestment in other commercial properties

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- encourage development of sites by lessee to stimulate economic growth
- manage groups of properties as one unit where appropriate e.g. block of adjacent sites.

## 1.2 Commercial Freehold Property

This category includes sites where Council owns both the land and buildings. These sites have been acquired over time for a variety of reasons, including new roading developments or future urban development. While the initial purchase may be made for a future purpose, this can change over time and should be reviewed regularly.

While held within the portfolio, every effort should be made to keep the property tenanted and achieve a market rental. It may be appropriate to make alterations for a new tenant in some instances, and this may be considered if the costs can be recovered in a reasonable timeframe. The objectives are:

- maximise cash returns.
- dispose of non-strategic sites over time, unless providing exceptional returns.
- maintain asset to optimise returns over long term.
- consider capitalising improvements into lease to increase returns and/or encourage effective use.

## 1.3 Town Basin

The Town Basin properties were developed in the mid-1990s, and while established as commercial tenancies, the overall precinct is managed as a public amenity. Property interests need to be balanced against its importance as a visitor destination (for both local residents and tourists), an entertainment area (cafes, restaurants, playground and park), and the setting for the Town Basin marina. While the property tenancies should be managed on a commercial basis, it may be necessary to slightly compromise overall financial returns in order to retain the best mix of tenants.

A portion of the revenue received should also be re-invested in the overall precinct to ensure visual and amenity standards are met, to encourage as many visitors as possible. Regard should be had for linkages with related activity e.g. cultural, art and heritage attractions and events. The objectives are:

- manage as overall precinct, ensuring public amenity values are considered
- tenants to be primarily a mix of high quality/boutique retail, café / restaurant
- portion of revenues to be reinvested to maintain/enhance amenity value
- wherever possible integrate commercial aspects with other interest e.g. passive recreation, art and cultural attractions, water-based activity
- where appropriate accept a slightly lower rate of return, given need to ensure public amenity values etc

## 1.4 Central City Carpark

This parking building is the only significant parking building available to the general public. It is not considered to be a strategic asset, as the service could be provided by the private sector. However, given limitations on parking revenue in the local market, it is prudent to retain this asset until market conditions produce a higher return on capital, at which point it could be sold.

In the meantime, returns can be maximised by leasing some spaces for dedicated use e.g. for staff parking, while retaining the balance for casual use. The objectives are:

- maximise cash returns
- integrate operations with wider WDC parking strategy
- manage security issues to minimise public concerns
- consider disposal to private operator.

## 1.5 Parihaka Transmission Mast

Council owns the prime transmission facility for the District. It provides an excellent rate of return, and has importance in ensuring the full range of digital and wireless services is available to residents of the District.

Policy title			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Property
<b>Policy Author</b>		<b>Review date</b>	March 2016

It is important that there is regular investment in the facility to ensure it adapts to technological advances in a timely manner. Over time, this should allow a rationalisation of the masts to a single structure.

It should be noted that the Parihaka site is of significance to local hapū and iwi, and the asset management plan must take this into account.

- maximise cash returns
- ongoing development in line with technology advances e.g. wireless
- rationalise masts over time, with aim of one mast covering all needs
- manage site in conjunction with Parks Department
- consider iwi issues, especially minimising impact on overall site and location.

## 1.6 Future Purpose – Property Held for Future Development Purposes

This category includes land acquired and held for the purposes of securing future urban development objectives such as town centre projects, aggregation of strategic parcels for the purpose of controlling or influencing development of the surrounding property, and property held with the intention of initiating development projects in pursuit of Council's urban planning. The objectives are:

- the purpose for which each property is held shall be noted in the property database
- each property shall be regularly reviewed to ascertain that it remains consistent with its proposed future use
- pending utilisation, opportunities to obtain rental income should be explored
- where practicable, opportunities should be sought to combine future development and investment objectives in relation to such properties
- while efforts should be made to produce returns that at least meet their holding costs, it is recognised that these properties will not realise significant financial returns until they are converted to their intended use.

## 2 Council Services Portfolio

One of Council's core objectives is to ensure the provision of adequate and appropriate facilities for the delivery of a range of social and community services for the needs of the District and its residents both now and in the future. However, Council recognises the need to identify the most appropriate and cost-effective means of achieving these goals given resource constraints and competing priorities. Considerations in this regard include:

- the need to acquire property in locations or areas of strong projected growth
- the relative merits of ownership versus leasing of buildings that house such facilities
- ensuring wherever practicable that community facilities are available to multiple users
- assisting service providers in their formative stages, with a view to longer term self-sufficiency
- understanding the roles of central government agencies in providing services at a local level
- the role of Council as a catalyst for private investment in ancillary facilities; and
- protocols for cost-recovery through shared facilities with private enterprise, leasing out when not in use, complementary commercial activity etc.

## Objectives by Classification

### 2.1 Civic Purposes

This category includes all property which has as its dominant purpose the administration and delivery of Council services, including libraries. Acquisition or disposal of such properties will be determined solely on the basis of suitability for its functional purpose.

Council owns and rents buildings to enable it to provide services to ratepayers. They will be managed on a cost effective basis to meet the needs of ratepayers, visitors and staff. A 'civic presence' will be maintained at Forum North, while opportunities to bring staff together under one roof are explored.



Policy title			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Property
<b>Policy Author</b>		<b>Review date</b>	March 2016

Satellite offices will be housed in locations where there is sufficient resident population and service demand to justify the capital and staffing costs.

## 2.2 Community Purposes

This category includes local halls and community centres, recreation facilities (where located on freehold land), properties leased to community groups (e.g. the Old Library) and any other property for which the dominant purpose is of a like nature. Whilst the successful delivery of these services does not always require Council ownership of the assets, Council recognises that there are some aspects of service delivery for which only a public body such as Council is able or willing to provide the necessary infrastructure. The objectives are:

- the purpose for which each property is held shall be noted in the property database
- each property shall be regularly reviewed to ascertain that its dominant use remains as noted
- alternatives to Council ownership will be considered where this is practicable without compromising ongoing function or amenity
- opportunities will be sought where practicable to generate ancillary commercial activities to help defray the cost of facilities
- wherever possible, the use of facilities will be maximised through multiple user arrangements.

Where a Council-owned building is leased by a community group consideration will be given to reducing the rent payable while agreed services are provided to an acceptable standard. In these instances a 'rent grant' will be paid from the Community Funding budget to the Property department to offset any subsidies received.

## 2.3 Whangarei District Airport

Whangarei District Airport (Airport), situated at Onerahi in Whangarei, is operated under a joint venture partnership agreement between Council and the Crown, represented by the Ministry of Transport (MoT). The day-to-day operational activities of the Airport are managed under the aegis of Council by way of a management contract with a contractor (currently Northland Aviation Limited). The Airport acts as a gateway to the Whangarei District and Northland, and this aspect remains a focus of Council in providing an airport service of high quality and efficiency.

As a Council Controlled Organisation, the Airport has a Statement of Intent, which sets out the following objectives that:

- the Airport is operated as a fully serviceable District Airport for the use of visitors, residents and ratepayers of the Whangarei District
- the short and long term objectives of the Airport operation meet the needs of scheduled and non-scheduled aviation operators and their customers
- standards of safety are promoted and maintained, recognising New Zealand Civil Aviation Authority (CAA) and other safety and health requirements
- the Airport is operated with regard to appropriate environmental practices, legislation, and in recognition of the designation requirements in the District Plan.

Given the limited scale of operations and its role as a 'gateway' to the district, it is accepted that it will produce modest financial returns. There are restrictions on non-aviation activity, which were established as part of the operative District Plan. This also limits the Airport's ability to generate additional revenue.

The overall operation produces a small operating surplus, which is transferred to reserves to fund ongoing infrastructure development and maintenance. The nature and scope of activities undertaken broadly cover:

- operating the Airport in a cost effective and efficient manner to meet the objectives set out above, and in accordance with the terms of the Aerodrome Operating Certificate issued by the Civil Aviation Authority;
- meeting the Civil Aviation Authority certification requirements;
- continuing to seek opportunities to widen the revenue base in areas consistent with Airport operation. Such activities include leasing land within the Airport precinct for aviation related activities and reviewing both existing charges and exploring other options.



Policy title			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Property
<b>Policy Author</b>		<b>Review date</b>	March 2016

Plans, including future proofing and the potential for development to meet the needs of the district will be determined in a separate document in consultation with the Ministry of Transport.

## 2.4 Residential property

Council owns 165 Pensioner Housing units, located in 16 sites across the District. They are identified as Strategic Assets in terms of Council's Policy on Significance.

Day to day management (tenancy issues, vacancy management etc), is outsourced under contract to the Masonic Trust. Maintenance of the grounds is similarly outsourced to Crewcut. Council staff manages all building maintenance (both internal and external).

The overall portfolio is managed on a break-even basis, with the weekly rent set as a percentage of National Superannuation. This level is reviewed regularly to ensure there is adequate income for effective long term asset management.

Council's policy is to maintain pensioner housing facilities at their current levels of service. However, should opportunities to source external funding arise (e.g. through Housing NZ) consideration will be given to making capital improvements that could reduce ongoing operational expenses for building maintenance.

Tenancies are restricted to those:

- ages 65 years and over
- in receipt of NZ superannuation
- cash assets of no more than \$17,500 (single), \$20,500 (couple)
- consideration of those nearing 65yrs and in receipt of an invalids benefit.

Council also owns a small portfolio of residential flats and houses, many of which were acquired as part of plans for future development e.g. expansion of Kensington Park. Where these properties can be used for residential purposes they are added to this portfolio, for which day to day management is provided under contract by First National Real Estate. Council gives regard to:

- the purpose for which each property is held shall be noted in the property database
- each property shall be regularly reviewed to ascertain that it remains consistent with its proposed future use
- opportunities to obtain rental income at market rates should be explored
- if a property is no longer required for its original use, opportunities for disposal or development of the site should be explored.

## 2.5 Future purpose

This category includes land and buildings acquired and held for the purposes of developing community or infrastructure (as opposed to commercial) assets in the future e.g. sports parks, community libraries, civic buildings, future transport routes etc. Where residential houses are acquired during such a process, it is added to the Residential Housing portfolio outlined above, as it is more efficient to manage these properties as a group.

The timeframe for further development and the extent of future site-works will dictate how the property is managed, and it is important that its long term use is not compromised e.g. by entering into leases that limit future access.

- the purpose for which each property is held shall be noted in the property database
- each property shall be regularly reviewed to ascertain that it remains consistent with its proposed future use
- pending utilisation, opportunities to obtain rental income should be explored
- where practicable, opportunities should be sought to combine future development and investment objectives in relation to such properties
- while efforts should be made to produce returns that at least meet their holding costs, it is recognised that these properties will not realise significant financial returns.

Policy title			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Property
<b>Policy Author</b>		<b>Review date</b>	March 2016

## 2.6 Special Purposes

This category includes any land holdings owned by Council not held under any other category and for which special factors dictate how the land may be used. It includes the Rose St Bus Terminal, productive rural land, quarries, forests, closed landfills, and riparian margins e.g. in the Hikurangi Swamp.

- the purpose for which each property is held shall be noted in the property database
- where possible, the property should be managed to produce an ongoing revenue stream while held in ownership
- each property shall be regularly reviewed to ascertain that it remains consistent with its proposed future use
- opportunities to house organisations providing social or community services should be regularly explored
- if it is determined that the land is no longer required, it should be disposed of
- consideration will be given to offering the property to adjacent and/or previous owners where that is a sensible outcome, provided market value is obtained.

## 2.7 Other property

This category includes various landholdings accumulated over the years that are no longer used to provide Council services e.g. Whangarei Railway Station, abandoned quarries. It should be managed on the same basis as Special Purposes properties as noted above, with particular regard for the orderly disposal of these properties.

## Further Considerations – Heritage Buildings

The Old Library, The Old Municipal Building and the Railway Station are heritage buildings presently owned by Council.

A system of “threat analysis” will be conducted for identified heritage properties not presently owned by Council. Where it is determined that there is a sufficiently urgent case for intervention, having regard to the financial consequences for Council, acquisition or other measures may be instigated.

Action will be taken periodically to analyse the status of any Council-owned heritage properties to identify whether ongoing ownership is the best or only means of protecting these properties. Where practicable, properties will be sold with adequate safeguards (e.g. covenants) in place, thereby freeing up funds for the purchase of other heritage properties under threat.

Policy title			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Property
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### 3 Council Infrastructure Portfolio

These are properties that are held and managed by Council's infrastructure & Services group. While the Property Department may be asked to assist with acquisition, development or disposal of these sites, it does not play an active role in their management.

#### Services and Utilities

This category includes freehold land held for water and wastewater facilities and for facilitating the installation of utilities. Council gives regard to:

- the purpose for which each property is held shall be noted in the property database
- each property shall be regularly reviewed to ascertain that it remains consistent with its proposed future use
- where a property is larger than is required for its intended purpose, the balance should be evaluated with a view to maximising its investment value.

#### Roads and transport

This category includes all property which is being held for roading purposes (including future roading works and unformed roads, but not closed roads), car parks and current or future public transport facilities.

Although major roading, including land acquisition, associated with the State Highway network is the responsibility of NZ Transport Agency, Council may selectively acquire sufficient interest in land to facilitate its desired outcomes on key roading projects. Council gives regard to:

- The purpose for which each property is held shall be noted in the property database
- Each property shall be regularly reviewed to ascertain that it remains consistent with its proposed future use
- Pending utilisation, opportunities to obtain rental income should be explored
- Where a property is larger than is required for its intended purpose, the balance should be evaluated with a view to maximising its investment value.

#### Forestry Assets

Ten small pine forests are managed, most of which are planted on catchment areas critical to the District's drinking water supply. While efforts are made to secure a commercial return from these sites, this is difficult given the small total area (173 ha) and their fragmentation. Council has also made a decision that Parihaka, the largest site at 57 ha, is not to be re-planted as it is harvested, with the site reverting to native bush as it regenerates.

The portfolio is nearing the point where it is no longer viable to operate as an income producing asset, as the harvesting costs will start to exceed the revenue available. This is further complicated by liabilities arising from Emissions Trading Scheme.

A separate Forestry strategy will be prepared that examines potential options for this portfolio to:

- maximise net returns, accepting limitations of small and fragmented sites.
- ensure needs of other stakeholders are met e.g. water catchment.
- dispose of non-strategic sites, or convert to best use where possible.
- ensure carbon taxes are minimised.
- determine long-term strategy for this portfolio.

#### Parks and Reserves

Land for public open space is acquired using Development Contributions, reserve contributions from developers, through bequests or from other dedicated funding sources. Once acquired, the land may be given formal reserve status under the Reserves Act. However, in order to allow future urban design flexibility, through such elements as water-edge developments, hotels and cafes in parks, etc. Council may determine not to give land formal reserve status.

Policy title			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Property
<b>Policy Author</b>		<b>Review date</b>	March 2016

Whether or not land held as reserve is given formal reserve status, Council will:

- give priority to acquisition and disposals as identified in the Reserves Strategy
- where a property is larger than is required for its intended purpose, the balance should be evaluated with a view to maximising its investment value
- assist as required with the purchase of conservation areas in the vicinity of the main urban centres, although this will remain the primary responsibility of the Department of Conservation and the Northland Regional Council
- identify those areas where future flexibility of use might be appropriate, and ensure that the funding of such acquisitions is arranged so as to allow for such flexibility.

Properties that are used for recreational purposes e.g. sports fields are managed by the Parks Department and operational management are not covered by this policy. However, there are occasions where the Property Department provide services to Parks, particularly in relation to managing leases of these properties or parts thereof.

## Email Memorandum

**The Property Group Limited**

Auckland Office  
PO Box 104, Auckland 1140  
Level 14, 55 Shortland Street  
Auckland 1010

**To** Tony Collins - Manager – District Development  
**From** Stuart Bagley - Principal, Corporate Advisory Services, The Property Group  
**Date** 10 March 2020

**Options for the Structure, Governance and Operation of Whangarei District Council's  
Property Portfolio**

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### Background

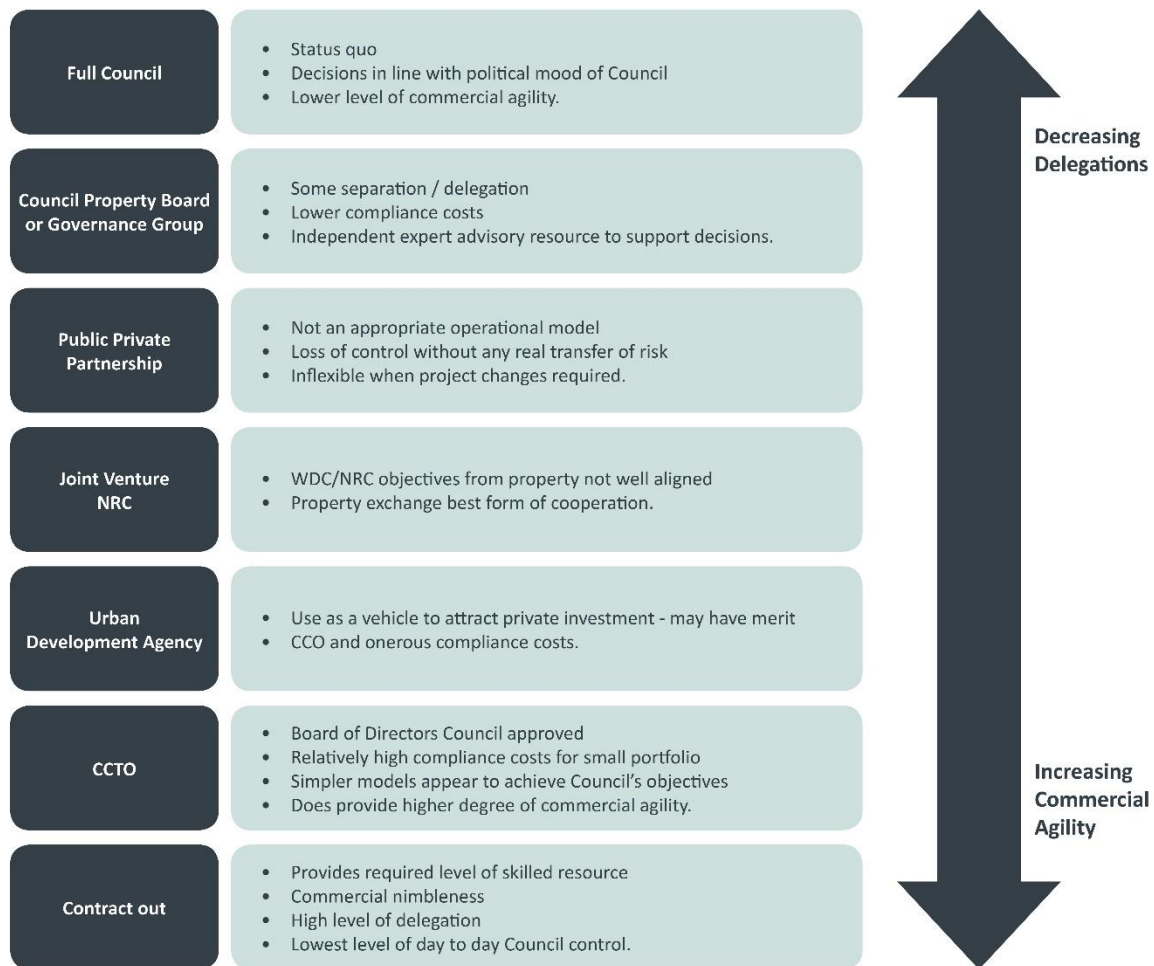
Whangarei District Council (Council) held a workshop on 20 February 2020 to consider the future direction for Council's commercial properties, the proposed prospectus offering, and governance options.

There appeared to be some appetite to form a Council property\steering group, with some level of delegated authority to make property decisions, although further consideration was needed on the exact structure.

The purpose of this memo is to provide some additional background information and recommendations aimed at facilitating further discussions at a Council meeting on 26 March 2020 which will consider this matter.

## The Property Governance Options

The following diagram illustrates some of the pros and cons of the various property governance models.



We note that a smaller steering group is already envisaged in Council's Property Policy 0078, which states in Item 7 Property Governance:

*"To enable property decisions to be dealt with in a commercial and prompt manner, all property acquisition and disposal shall be considered by the Mayor and Chair of the Finance Committee in the first instance, and then by full Council. Council may engage with external advisers with relevant skills and experience as required."*

## Other Council Examples

Here are some examples of other Councils which have delegated authority for property decisions to a smaller steering group.

District Council	Description	Delegation
Wairoa	Sale of abandoned land	Group manager finance & Corporate Support Senior Rates Officer
Wairoa	Grant leases of up to 15 years where existing policy is established	Group Manager Community Assets Group manager finance & Corporate Support Property Manager
Buller	Punakaiki Development Plan; no delegated authority and may only make recommendations to Council	One Councillor
Waitaki	Approve the disposal of freehold property (excluding endowments and reserve land) at market value	Assets Committee - 7 members, meeting 6 weekly, reporting to Council, quorum is 4 members
Waitaki	Approve the purchase of property to a value not exceeding \$500k	Assets Committee - 7 members, meeting 6 weekly, reporting to Council, quorum is 4 members
Ashburton	No authority included on sales. Has Authority to enter leases of not more than 5 years	Group Manager Business Support Commercial Manager
Hurunui	No authority mentioned on sales, has authority on leases	Chief Operations Officer
Hastings	Opera House and Arts Precinct Subcommittee; authority to facilitate and oversee engagement and fundraising. Authority to make recommendations to the Community Development Committee where resolutions of Council are required	Subcommittee of 5 elected members including 3 Councillors, quorum is 3 members, reports to Community Development Committee (14 Councillors plus Mayor, quorum of 8)
Hamilton	Purchase of land up to \$3m	Chief Executive (and or other specified officers)

## Examples of Council Property Owning CCTOs

There are also examples of CCTOs around the country with a specific mandate to manage commercial property portfolios. Panuku would be the largest example. They have been able to achieve some highly significant property transactions and developments, although they have experienced some difficulties in recent months and are currently under review. Far North Holdings Limited (FNHL) has a portfolio worth circa. \$100m and made a trading profit of \$2.3m in the YE 30.6.19, with a dividend of \$843,810 paid to Council. FNHL's portfolio includes airports, property, a marina and port assets.

Development Christchurch Limited (DCL) is a well-funded CCTO receiving contributions of \$3m per annum. Their aim is to contribute to the regeneration and redevelopment of Christchurch, through focusing on specific parts of the city and assisting its transformation. DCL identify surplus Council-owned land that could be better utilised and match investors with development opportunities. Unfortunately, DCL have been the subject of criticism and accused of too few successful projects. One explanation has suggested multiple government parties with similar goals has confused target initiatives and also acted to dilute DCL's ability to take a strategic level view.

A Council that has had better feedback with its CCTO structure is Dunedin. Dunedin set up their first CCTOs in the early 1990's including three CCTOs for investment purposes, two to manage Council's major facilities and one partially owned property-owning company, Golden Block Investments Limited. The system was fully reviewed about 10 years ago (The Larsen Review) which prompted changes and includes useful guidance, including:

- Avoiding purely informal arrangements between CCTO, Local Authority and holding companies
- Local Authorities should be clear about their appetite for risk
- The same directors should not be involved with both holding company and subsidiary, and there should be independent oversight on monitoring performance
- Periodic and independent reviews of CCTO governance arrangements

### **Steering Group option**

The option which appeared to be most favoured by Councillors at the February workshop was some form of Council Property Steering Group. This would be a smaller group of Councillors with a level of delegated authority to make certain property decisions. However, please see the next section on delegated authority which identifies some possible limitations on this group's abilities to make certain decisions. This points towards more of a steering group function.

The Steering Group could consist of around three Councillors, a local experienced businessperson, and an external subject matter expert to provide independent professional advice on particular property transactions being brought before the group for decision making. Only the Councillors would take part in voting as elected representatives.

### **Possible Levels of Delegated Authority**

Depending on the direction Council wishes to take, we would expect that further information will be required on the exact structure and possible levels of delegation.

The Local Government Act 2002 (LGA), The Public Works Act 1981 (PWA) and Council Policy imposes certain obligations on Councils which may restrict the level of delegations it is possible to give to a smaller governance group without certain procedures having first been complied with. The table on the following page lists those we are aware of:



Schedule 7 Part 1 cl clause 32(1) (c)	A local authority may delegate to a committee or other subordinate decision-making body, community board, or member or officer of the local authority any of its responsibilities, duties, or powers except the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan
Section 5 LGA	Assets deemed to be “strategic” may only be disposed of after a special consultative procedure
Section 140 LGA	Restrictions on disposal of endowment property
S40 of PWA	Places restrictions on certain property disposals
Property Policy 0078 states in Item 10.1	<i>“As a public entity, it is preferable for any property disposal to be conducted in a way that is visible and open to all parties to participate in.....unless there are compelling reasons otherwise”</i>

## Conclusion

The formation of a steering group to consider commercial property opportunities appears to have some merit. Although decisions on certain transactions would appear to require ratification by Full Council, this smaller steering group can provide a specialised focus and clear recommendations have the potential to streamline the decision-making process.

We recommend that Council’s lawyer provides advice on delegations, voting rights (and any other relevant considerations) if a steering group is proposed.

I look forward to discussing this with you further.

Regards

Yours sincerely



**Stuart Bagley**

Principal, Corporate Advisory Services



## 6.5 Northland Events Centre – decision on future governance

**Meeting:** Whangarei District Council  
**Date of meeting:** 30 April 2020  
**Reporting officer:** Sandra Boardman

### 1 Purpose

To seek direction from Council on new governance arrangements for the Northland Events Centre from 30 June 2020.

### 2 Recommendation/s

That Council approves that:

1. The operation and management of the Northland Events Centre be brought in-house from 30 June 2020; and
2. The Northland Events Centre Trust be disestablished.

### 3 Background

#### 3.1 Substantive Background

The management agreement and provision of service agreement between WDC and NECT expire on 30 June 2020.

The Northland Events Centre Trust (NECT) and Council management have both expressed concerns about the effectiveness of the governance agreements for the events centre.

NECT's concerns are that Council interferes in the running of the stadium, constrains the development plans of the Trust and does not support the Trust to meet its obligations under the Trust Deed. This is because WDC limits the amount of staff available to deliver events at the Events Centre. In the absence of any performance measures the Trust is concerned that it is unable to demonstrate the value it brings to Whangarei District and Northland through the running of the events centre.

Council management's concerns are that the management agreement requires WDC to provide and pay the salaries of the staff required by the Trust, without limit. The management fee paid by the Trust for WDC staff and support services is only 27% of the

actual cost. Since staffing costs are not accounted for by the Trust the profit stated for every event is grossly overestimated.

The knowledge and expertise which guides the Trusts strategies come entirely from WDC staff. Finally, the Trust have not secured external funding to improve the facilities at the event centre (accessing external philanthropic funds is one of the major advantages of having an arm's length Trust).

In 2019 WDC commissioned RB Robertson to undertake an independent review of the governance arrangements of the Northland Events Centre. A report was produced on 19 May 2019 which identified the following key issues with the current governance arrangements:

- Lack of formal governance and accountability
- Lack of confidence in financial management, commercial decision-making and probity
- Lack of clarity in responsibilities for the delivery of effective asset management
- Lack of understanding of health and safety liabilities and appropriate management
- Limited capacity and capability to effectively govern the facility
- Lack of integration with the organisation and broader sector
- Limited ability to effectively manage the operation.

### **3.2 Procedural background**

The results of the review were presented to Elected Members by Bruce Robertson (governance expert) and Ruth Stokes (stadium and events expert) at a workshop on 27 June 2019. The aim of the workshop was to determine whether there was enough alignment of thinking amongst Elected Members to allow a decision to be made prior to the Local Body Elections, however there was no clear consensus.

On 26 November, after the 2019 election, Elected Members were again briefed on the reasons for the review and the issues identified by RB Robertson.

A workshop was held on 11 March 2020 to present governance options and receive feedback from Elected Members to inform recommendations to Council in April. Two of the Northland Events Centre Trustees, Daniel Yorke and Deborah Harding, presented "Tō tatou heke mai – It's our future". This covered three main points: the positives, share our vision and plant the seed. After answering questions from Elected Members, the Trustees left the meeting. The workshop then focused on answering the following questions for new trust options and an in-house option: Who does it deliver value to; What gives it power; How does WDC steer it; Where is it going/ what does the future look like? Whilst again there was no clear consensus, the Elected Members present agreed that a decision paper should be presented to Council in April, noting that the management recommendation would be the in-house option.

## **4 Discussion**

The case for changing the governance arrangements is overwhelming in the light of the RB Robertson report and the concerns identified. The issue that needs to be resolved is therefore what model of governance will best supports the events centre to deliver the outcomes that Council wants from its investment.

## 4.1 Options

### 4.1.1 Status quo

The case for change in the RB Robertson Report is indisputable therefore this option is not considered further.

### 4.1.2 New Trust Lite

Under this option new Trustees are recruited using a competency-based approach and the Trust Deed is reviewed and revised if necessary. New agreements are put in place between WDC and the Trust including, a Letter of Expectations and Statement of Intent which outline purpose, commercial and community objectives, KPI's and proposed capital programme. An annual operating grant is agreed by both parties. The new Trust would employ a manager to oversee day to day running of stadium and WDC would continue to supply operational staff and corporate support services.

### 4.1.3. New Trust Full

The difference between this option and the New Trust Lite option is that the Trust would employ all operational staff, as well as the manager. WDC could continue to provide some corporate support services.

### 4.1.4 In-house Council operation

This option would require the Trust to be disestablished and its affairs wound up. Management and operational staffing would continue unchanged. Performance expectations, operational and capital budgets would be set through the usual LTP and Annual Planning process, with reporting to the Community Development Committee.

## 4.2 Comparison of options

Common strengths of all three options over the status quo are: clarity of roles and responsibilities, greater financial transparency and maintenance of relationship with commercial event promoters through staff. In addition, the two new trust options assume a new manager with greater experience in stadium management and trustees with the required competences including professional experience and knowledge of stadium management.

The two trust options could be expected to have a stronger focus on commercial events, third party fund raising and business development. The in-house option could be expected to have a much greater community focus and the ability to leverage across other council assets and facilities.

The following table was compiled by Elected Members at the workshop on 11 March 2020 and illustrates the key differences between the new trust options and the in-house option:

Table 1: Elected Member assessment of inputs and outputs for each option

	In-house Council operation	New Trust Lite and New Trust Full
Who does the model deliver value to?	Ratepayers, citizens, users of the facilities	Public, patrons, funders, sponsors
What gives it power?	Staff Elected Members	Independent Better relationship with Funders Nimble

<b>How does Council steer it?</b>	Strategies and policies Through the Chief Executive	Statement of Intent, Letter of Expectations, contract
<b>Where is it going? What does the future look like?</b>	Community vision through the LTP	Vision from the Trust Deed
<b>Level of Risk</b>	Lower risk	Higher risk

## 4.2 Finance and budget considerations

The following table summarises the income and expenses for each option as well as the cost to ratepayers. A detailed analysis from which this table is derived is presented in Appendix 1. The current cost to ratepayers assumed in the 2019/20 budget is shown for comparison:

Table 2: Summary of the net cost to rate payers for each option

	<b>2019/20 Budget Assumptions</b>	<b>In-house</b>	<b>New Trust Lite</b>	<b>New Trust Full</b>
<b>Income</b>		\$5,000	\$653,350	\$696,450
<b>Expenses</b>		\$542,200	\$653,350	\$696,450
<b>Net Profit/Loss</b>		(\$537,200)	0	0
<b>Net Cost to ratepayers</b>	<b>\$542,200</b>	<b>\$537,200</b>	<b>\$653,350</b>	<b>\$696,450</b>

The in- house option is the cheapest option and the only one which is affordable within the current budget assumptions.

## 4.3 Policy and Planning Implications

There is no consistent approach to the governance of stadia and other Council facilities in New Zealand.

Where CCO's are in place they often govern multiple venues e.g:

- Regional Facilities Auckland - Aotea Centre, Auckland Art Gallery, Auckland Town Hall, Auckland Zoo, Bruce Mason Centre, Mt Smart Stadium, North Harbour Stadium, Shed 10, The Civic, The Cloud, Mt Smart Stadium, North Harbour Stadium, Western Springs Stadium.
- Bay Venues - Trustpower Baypark Stadium, Trustpower Arena, Baywave TECT Aquatic and Leisure Centre, Mount Hot Pools, Indoor Sports Venues, Community Halls & Centres
- Venues Wellington - TSB Arena & Auditorium, Michael Fowler Centre, St James Theatre, The Opera House, Academy Galleries
- Dunedin Venues - Forsyth Barr Stadium, Dunedin Centre.

However, there are also many Councils who manage multiple venues in-house e.g:

- New Plymouth District Council - TSB Bowl of Brooklands, Yarrow Stadium, TSB Stadium, TSB Showplace

- Palmerston North City Council - Central Energy Trust Arena, Palmerston North Conference and Function Centre
- Rotorua Lakes Council - Energy Events Centre, Sir Howard Morrison Performing Arts Centre, Rotorua International Stadium, Te Runanga Te House and Civic Theatre

The Northland Events Centre Trust was established as a condition of handover from Northland Regional Council (NRC) who built the facility. when the facility was handed over to Whangarei District Council in 2010. NRC regional facilities levy for the Northland Events Centre finished in early 2018. In July 2019, NRC resolved that there was no continuing need for them to have representation on NECT and wrote to NECT requesting that NRC's ability to appoint a Trustee be removed from the Trust Deed.

#### **4.4 Risk**

The following risks have been identified:

##### **4.4.1 All options**

The current agreements expire on 30 June 2020. The estimated time required to implement the three options are:

- New Trust Lite – 6 months
- New Trust Full – 8 months
- In-house – 3 months.

Existing agreements might need to be rolled over to enable the smooth transfer to whichever governance model Council determines.

##### **4.4.2 New Trust Lite and New Trust Full**

Finding new Trustees with professional experience of stadium management is expected to require recruitment from outside the Region. This assumption is based on previous experience of recruiting Trustees for the Northland Events Centre Trust.

##### **4.4.3 In-house**

The stadium was paid for by Northland ratepayers and has always had a Northland focus, rather than just a Whangarei focus. Marketing of the stadium will need to continue to promote it as a multipurpose venue for the benefit of the people of Northland.

##### **4.4.4 Impact of COVID 19**

COVID-19 will have a profound impact on the business of the Northland Events Centre for some time.

The national Alert Level system requires the stadium to remain closed at levels 3 and 4. At level 2 the venue can reopen with mass gatherings restricted to a maximum of 100 people indoors and 500 people outdoors; and with additional conditions such as physical distancing and recording of attendees. It is only at level 1 that the stadium will be able to operate as normal.

The economic impact of the pandemic on people's disposable income is also likely to have a lasting effect.

Finally border controls will still be in place at Alert Level 1 and this may impact on sports fixtures and concerts as teams and musicians may be unable to enter the country.

#### **4.5 Conclusion**

The three options described are all significant improvements on the current arrangements and this was confirmed in the report produced by RB Robertson. In determining which option

best meets the future governance needs of the Northland Events Centre, key considerations are whether Council wishes the stadium to have primarily a commercial or community focus, and the level of control that Council wishes to have over the operations. The New Trust options are best fit for a commercially oriented venue where Council has limited influence over the operation and strategic direction of the entity. A Council run option is the better fit for a community-oriented venue which runs some events to offset the cost of community events. Council would have much greater control of the strategic direction of a Council run venue.

Of the two commercially oriented models, New Trust Full is the most straightforward although also has the most impact on WDC staff. The effectiveness of the New Trust Lite relies on the relationship between the Trusts new Operations Manager and the WDC Venues and Events Manager who manages all operational staff. The two Managers would need to collaborate effectively to manage the natural tension between the different operational priorities of the Trust and Council.

Whilst all three models could be effective, the in-house model is recommended for the following reasons:

- The Northland Events Centre primarily delivers community events such as the Fritter Festival, Christmas Festival, school sports finals. Most commercial activities at the Northland Events Centre, like Forum North, relate to MICE (meetings, incentives, conventions and exhibitions). Larger commercial events such as concerts and rugby matches happen infrequently. Like most stadiums in New Zealand the Northland Events Centre runs at a loss, this is budgeted as \$542,200 for 2019/20.
- WDC management and staff have the required financial management, health and safety expertise, industry relationships and the ability to integrate activities across the broader Whangarei and Northland events sector.
- It is the only governance model that is affordable within the 2019/20 budget assumptions.
- There will be less opportunities for large commercial events until the COVID-19 Alerts Levels are lifted and free movement across out New Zealand's border is allowed.
- The forecast economic downturn after COVID-19 will affect disposable income and the number of people able to attend commercial events. The flexibility to roster staff across Forum North, the Northland Events Centre and community venues is likely to be the most effective way to reduce the cost of events to ratepayers.

## **5 Significance and engagement**

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website,

## **6 Attachment**

Appendix 1: Detailed financial analysis of each option



<b>NECT Costing of In-house vs Trust Lite vs Trust Full</b>		<b>Inhouse*</b>	<b>Trust Lite*</b>	<b>Trust Full*</b>	<b>Comments</b>
<b>Income</b>	NECT Corporate Suite	\$ 5,000.00	\$ -	\$ -	Revenue from sale of NECT Suite 12/13 to NRU @ \$1,000/game x 5 Mitre 10 Cup games
	Council Funding	\$ -	\$ 653,350.00	\$ 696,450.00	
	Operating Grant	\$ -	\$ 614,350.00	\$ 657,450.00	
	Rent concession	\$ -	\$ 39,000.00	\$ 39,000.00	Based on same rental rate as other Stadium tenants
	<b>Total Income</b>	<b>\$ 5,000.00</b>	<b>\$ 653,350.00</b>	<b>\$ 696,450.00</b>	
<b>Expenses</b>	Staff Costs	\$ 330,000.00	\$ 330,000.00	\$ 330,000.00	Based on HR costing for 5 staff
	Casuals	\$ 15,000.00	\$ 24,000.00	\$ 24,000.00	Based on 6 staff at \$50/hr x 8 hrs x 10 days/pa
	Rent paid	\$ -	\$ 39,000.00	\$ 39,000.00	Based on same rental rate as other Stadium tenants
					Based on 4 trustees x \$30k pa. One trustee would be a WDC appointed hence would not draw a directors salary from the trust. Median salary per the Institute of Directors is \$46k pa. In Jouse \$80k assumes efficiencies achieved within WDC
	Directors Fees	\$ 80,000.00	\$ 120,000.00	\$ 120,000.00	
	Secretarial Fees	\$ -	\$ 3,150.00	\$ 3,150.00	Based on \$25/hr x 9 hrs x 14 meetings (11meetings, 1 AGM & 2 workshops)
	Event booking system license	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	Approx annual license cost for new event booking system
	Stadium Vehicle Depreciation charge	\$ 7,200.00	\$ 7,200.00	\$ 7,200.00	WDC current provides a vehicle \$40k
	<b>WDC services provided Inhouse**</b>	<b>\$ 100,000.00</b>	<b>\$ 100,000.00</b>	<b>\$ -</b>	\$100k based on best estimate as a result of efficiencies achieved within WDC
	Call Centre (Customer Services)	\$ -	\$ -	\$ 12,000.00	** approx cost to outsource \$1000 per month
	HSE support	\$ -	\$ -	\$ 12,000.00	** approx cost to outsource \$1000 per month
	Finance/Accounting	\$ -	\$ 10,000.00	\$ 10,000.00	** approx cost to outsource, incl software
	Payroll	\$ -	\$ -	\$ 1,000.00	** approx cost to outsource, incl software
	HR support	\$ -	\$ -	\$ 12,000.00	** approx cost to outsource \$1000 per month
	ICT support	\$ -	\$ -	\$ 18,000.00	** approx cost \$1500 per month
	Mobile Phone charges	\$ -	\$ -	\$ 5,200.00	** approx cost to outsource
	Communications - Media/PR	\$ -	\$ -	\$ 5,200.00	** approx cost to outsource
	Website, social media management	\$ -	\$ -	\$ 5,000.00	** approx cost to outsource
	Graphic Design	\$ -	\$ -	\$ 15,000.00	** approx cost to outsource
	Mail/Courier Delivery	\$ -	\$ -	\$ 5,200.00	** approx cost to outsource
	Consumables - Milk/Coffee/Tea	\$ -	\$ -	\$ 2,500.00	** approx cost to outsource
	Printer	\$ -	\$ -	\$ 6,000.00	** approx cost to outsource
	Legal advice	\$ -	\$ -	\$ 24,000.00	WDC matters only, outsource trust approx \$2k per month
	Project management for Capex Projects	\$ -	\$ -	\$ 20,000.00	** outsource trust approx 10% of Capex cost, assumed \$200k
	<b>Cost Savings</b>				
	Audit fees	-\$ 10,000.00	\$ -	\$ -	Standard cost for Trust Lite or Full
	<b>Total Expenses</b>	<b>\$ 542,200.00</b>	<b>\$ 653,350.00</b>	<b>\$ 696,450.00</b>	
	<b>Net Profit/(Loss)</b>	<b>-\$ 537,200.00</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Net Cost to the Rate Payer</b>		<b>\$ 537,200.00</b>	<b>\$ 653,350.00</b>	<b>\$ 696,450.00</b>	
<b>Assumptions</b>					
*Inhouse model - assumes all WDC services are provided inhouse					
*Trust lite - assumes WDC will provide inhouse services at in house cost					
*Trust full - assumes no WDC inhouse services will be provided					



## 6.6 Road Extension Naming and New Private JOAL Name – RMA Consents – Jessie Trust – SD1900122

**Meeting:** Whangarei District Council  
**Date of meeting:** 30 April 2020  
**Reporting officer:** Ricardo Zucchetto – Post Approval Officer – RMA Consents

### 1 Purpose

To name two public road extensions and a jointly owned access lot (JOAL) in the Whangarei district to assign unique addresses for properties to be readily locatable by emergency services responders and service delivery providers.

### 2 Recommendations

That Council approve:

1. The name of the road extension off Clapham Road as Clapham Road.
2. The name of the road extension off Sands Road as Sands Road.
3. The Jointly Owned Access Lot (JOAL) off Clapham Road as Fantail Lane.

### 3 Background

An approved subdivision by Jessie Trust – SD1900122 requires road name approval for extensions to roads at the end of Clapham Road and Sands Road and the naming of a jointly owned access lot to clearly identify related addresses along future roads around this development.

### 4 Consultation

The Road Naming Policy (s.5.2.3) stipulates that extensions to roads will automatically be named as per the existing names. As such, the extension of Clapham Road shall be named Clapham Road and the extension of Sands Road shall be named Sands Road. A new name is also proposed for the jointly owned access lot off Clapham Road.

No consultation was undertaken as the developer owns the land off the common access lot. No consultation was undertaken with the property owners of the Clapham and Sands Road extensions, as the Addressing Team advise that their addresses will remain unchanged.

### 5 Significance and engagement

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

## **6 Attachments**

1. Jessie Trust – SD1900122 – Road Name Application
2. Jessie Trust – SD1900122 – Location Map

## Application for Road Naming

Thank you for making an application to name a proposed road.

### Points to remember when making an application

- ❖ Please print clearly to ensure the form is easy to read.
- ❖ We will respond in writing to every application received. Please ensure that you provide appropriate contact details so that our response gets back to you.
- ❖ Your application will not be returned to you once it is lodged with Council. Please keep a copy for your reference.

### Important Considerations

- ❖ Please refer to the **Road Naming Policy** and **Road Naming Index** prior to making your application. These documents will be helpful when proposing road names. Both documents can be found on the Council website at [www.wdc.govt.nz](http://www.wdc.govt.nz), and further information on our Road Naming Policy on pages 3, 4 & 5 of this application form.

### How to get this application to us

Mail to: Attn: Administration Team Leader – Resource Consents  
 Whangarei District Council  
 Private Bag 9023  
 WHANGAREI 0148

Fax to: 09 438 7632

Email to: [mailroom@wdc.govt.nz](mailto:mailroom@wdc.govt.nz)

### Applicant Details

First name(s) Jessie Trust Holdings Limited on behalf

Last name of The Jessie Trust

Postal address C/- 1772 South Head Road, RD1  
Helensville 0874

Best day-time phone number 021 071 1094 Mobile 021 071 1094

Email jkrobb22@gmail.com

### Resource Consent Details

Resource Consent  
 application number  
 and Site Address

SD1900122

### Agent Details

Name of Agent Julie Robb Agent ref \_\_\_\_\_

Agent postal address Same as above

Best day-time phone number 021 071 1094 Mobile 021 071 1094

Email jkrobb22@gmail.com

For technical queries contact  
 Jarred Lloyd at Cato Balam  
 09 438-1684 021 263 9897  
[jarredl@catabalam.co.nz](mailto:jarredl@catabalam.co.nz)

### Proposed Road Name Details

Please indicate whether the road is **Public** or **Private** (✓ box)

☐ Public

☒ Private

Proposed road name 1

Fantail Lane

Reason

Property has native bush on and  
is next to the River so lots of  
fantails, relates to geographical  
location

Proposed road name 2

Archibald Lane

Reason

~~First name of~~  
Access way is off Clapham Road  
named after Archibald Clapham  
so carries on theme.

Proposed road name 3

Bellbird Lane

**Not viable**

Reason

Same reason as #1

Changed to Morepork Lane (email dated 16/03/2020)

Same reason as #1

- ❖ Please supply a scheme plan map in Black and White with Road or ROW clearly marked when submitting your application.
- ❖ Please identify all properties deemed affected by the new road and supply Council with written evidence of consultation.



creating great places  
PLANNERS | SURVEYORS | ENGINEERS  
ARCHITECTS | ENVIRONMENTAL

**The Jessie Trust  
Claphams Road  
Whangarei**

**Lots 1-8, 100, 300 & 301  
Being a Proposed Subdivision  
of Lot 2 429977**

**FOR ENGINEERING APPROVAL**

Sheet 03 of 15

DRAWING NO.	42821-DR-C-1312		REVISION		G
DATE	12/11/19	ORIGINAL SCALE 1:1000	ORIGINAL SIZE		
DRAWN			SR/JL/PS	NH	
			JL/PS/MM		12/11/19
DESIGNED					12/11/19

This drawing and design remains the property of, and may not be reproduced or amended without the written permission of Cato Bolam Consultants Ltd. No liability shall be accepted for unauthorised use of this drawing and design.

Areas and measurements are subject to survey. Levels are in terms of NZVD 2016.

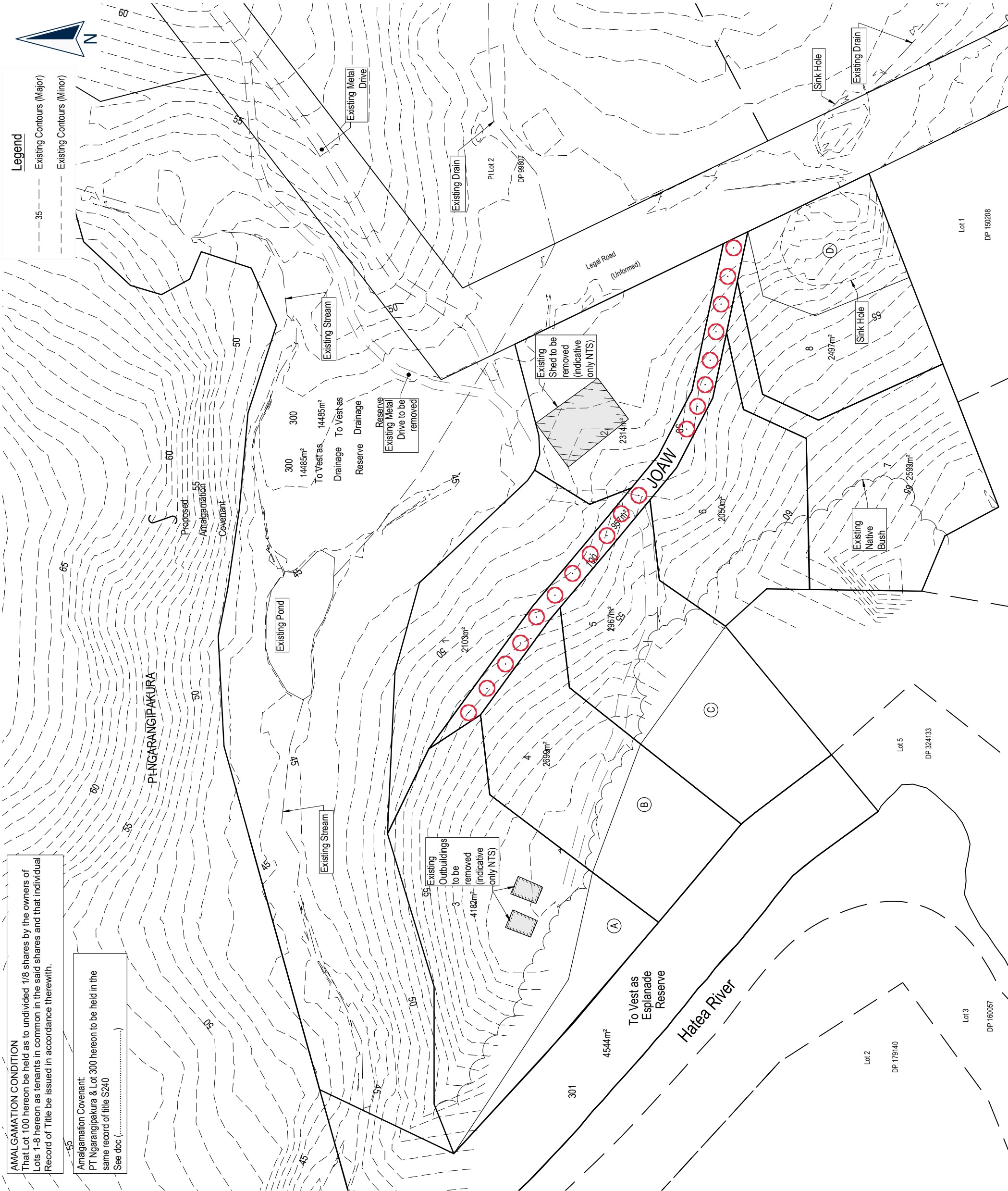
- Origin: SM 1515 SO 66621 RL: 82.75m

The contours on this plan have been derived from spot levels. Any ground levels used in critical design locations should be checked against the spot levels and confirmed by further survey if necessary.

LOCAL AUTHORITY WHANGAREI DISTRICT  
COMPRISED IN 517163  
TOTAL AREA 4.436 ha.

Areas A, B and C to be subject to land covenants (bush protection)

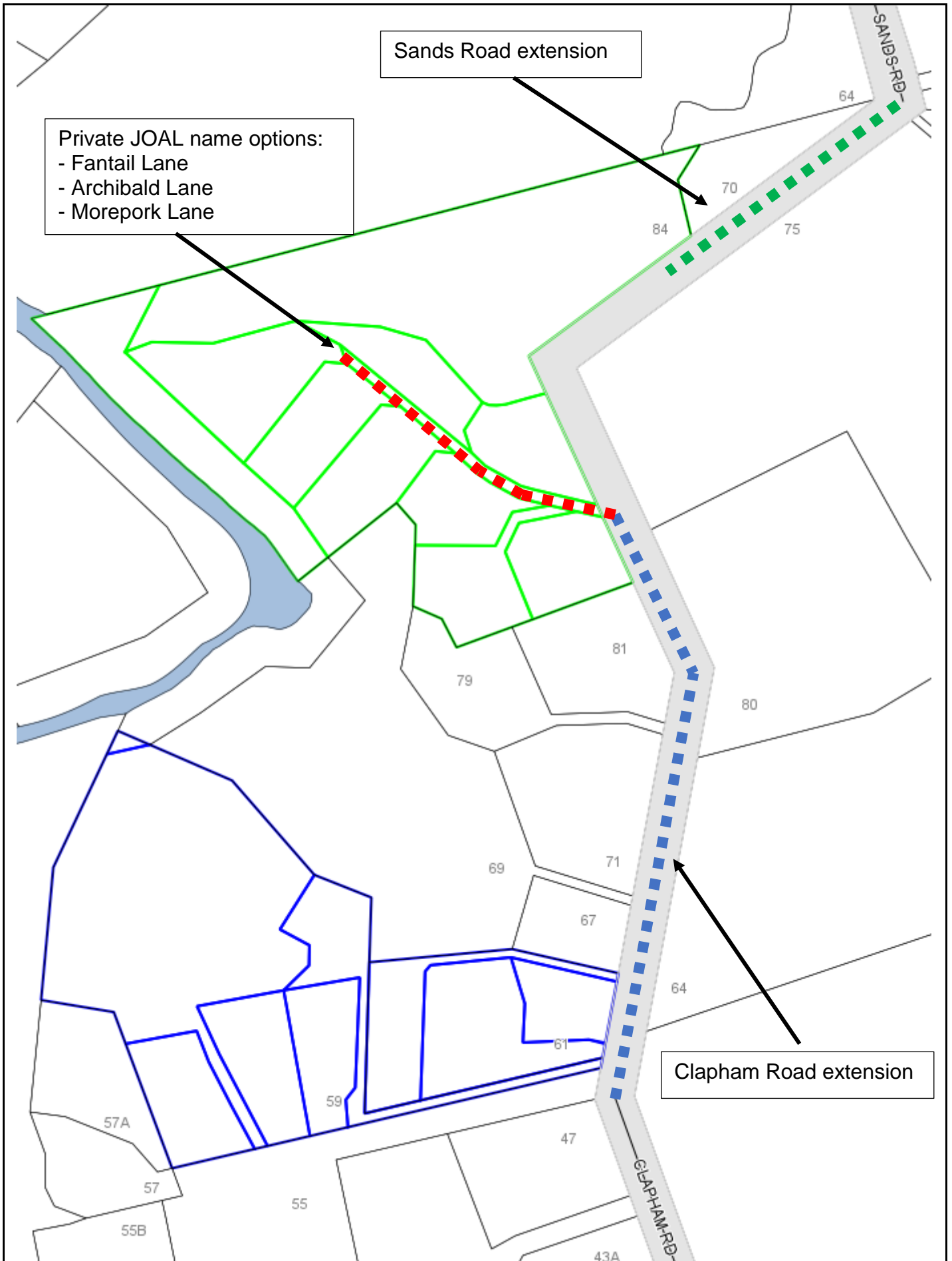
Areas D to be subject to land covenants (no build area)







## Jessie Trust – SD1900122 – Road Name Location Map





## 6.7 Road Extension Naming – RMA Consents – Roberts – SD1500010

**Meeting:** Whangarei District Council  
**Date of meeting:** 30 April 2020  
**Reporting officer:** Ricardo Zucchetto – Post Approvals Officer – RMA Consents

### 1 Purpose

To name a private access way in the Whangarei district to assign unique addresses for properties to be readily locatable by emergency services responders and service delivery providers.

### 2 Recommendation

That the Whangarei District Council approve the name of the road extension off Pepi Road as Pepi Road.

### 3 Background

An approved subdivision by Roberts – SD1500010 requires road name approval for the extension at the end of Pepi Road to clearly identify related addresses along an unnamed private access to cover existing and new properties surrounding this development.

Internal advice from the Roding and Addressing Team confirmed that the ‘loop-shaped’ paper road corridor at the right-hand-side end of Pepi Road does not contain any additional addresses. Existing properties have situation addresses from Whangarei Heads Road.

### 4 Consultation

The Road Naming Policy (s.5.2.3) stipulates that extensions to roads will automatically be named as per the existing names. As such, the extension of Pepi Road shall be named Pepi Road.

No consultation was undertaken as the existing addresses of existing property owners will remain unchanged.

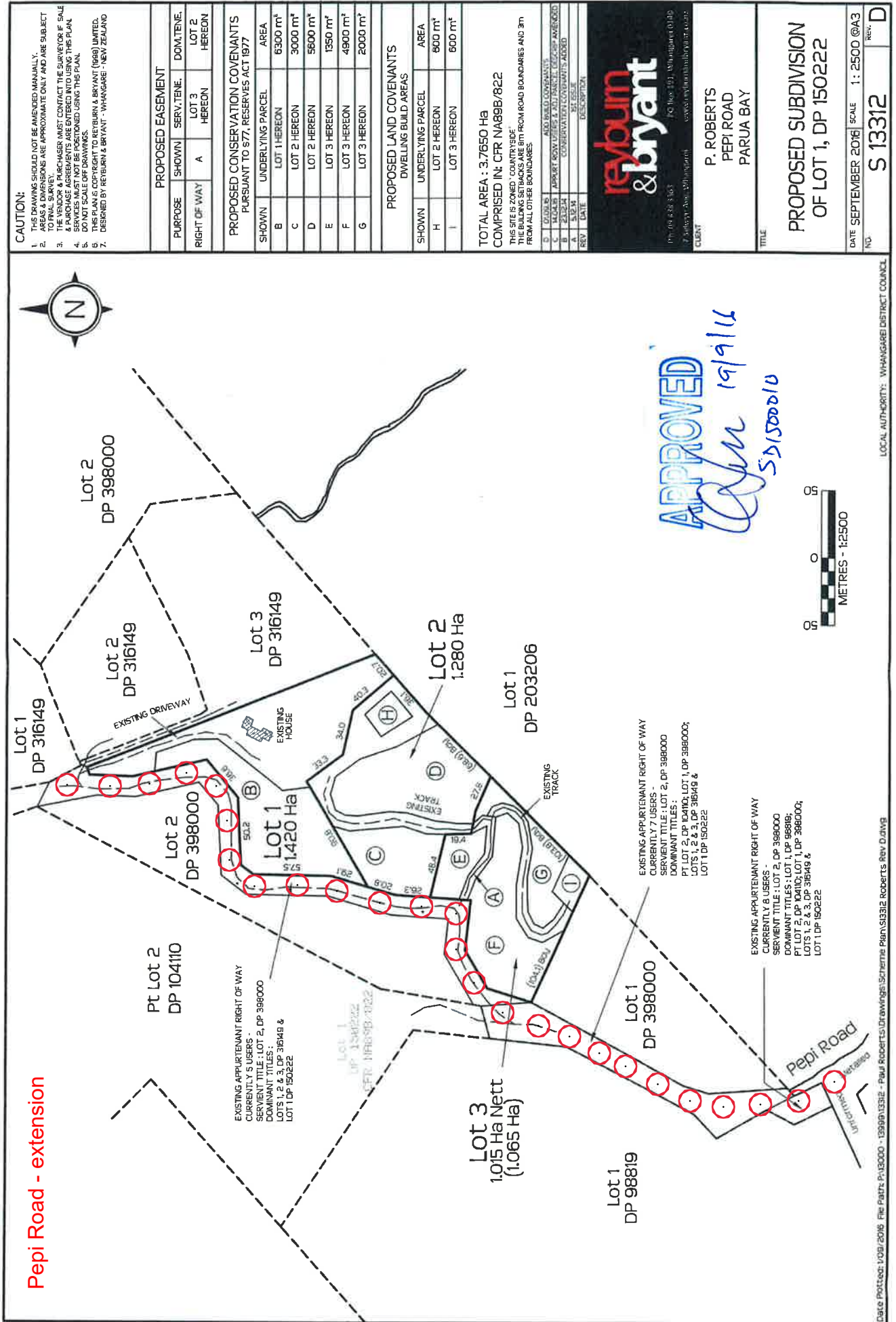
### 5 Significance and engagement

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

### 6 Attachments

1. Roberts – SD1500010 – Location Map – Pepi Road Extension
2. Roberts – SD1500010 – Development Plan



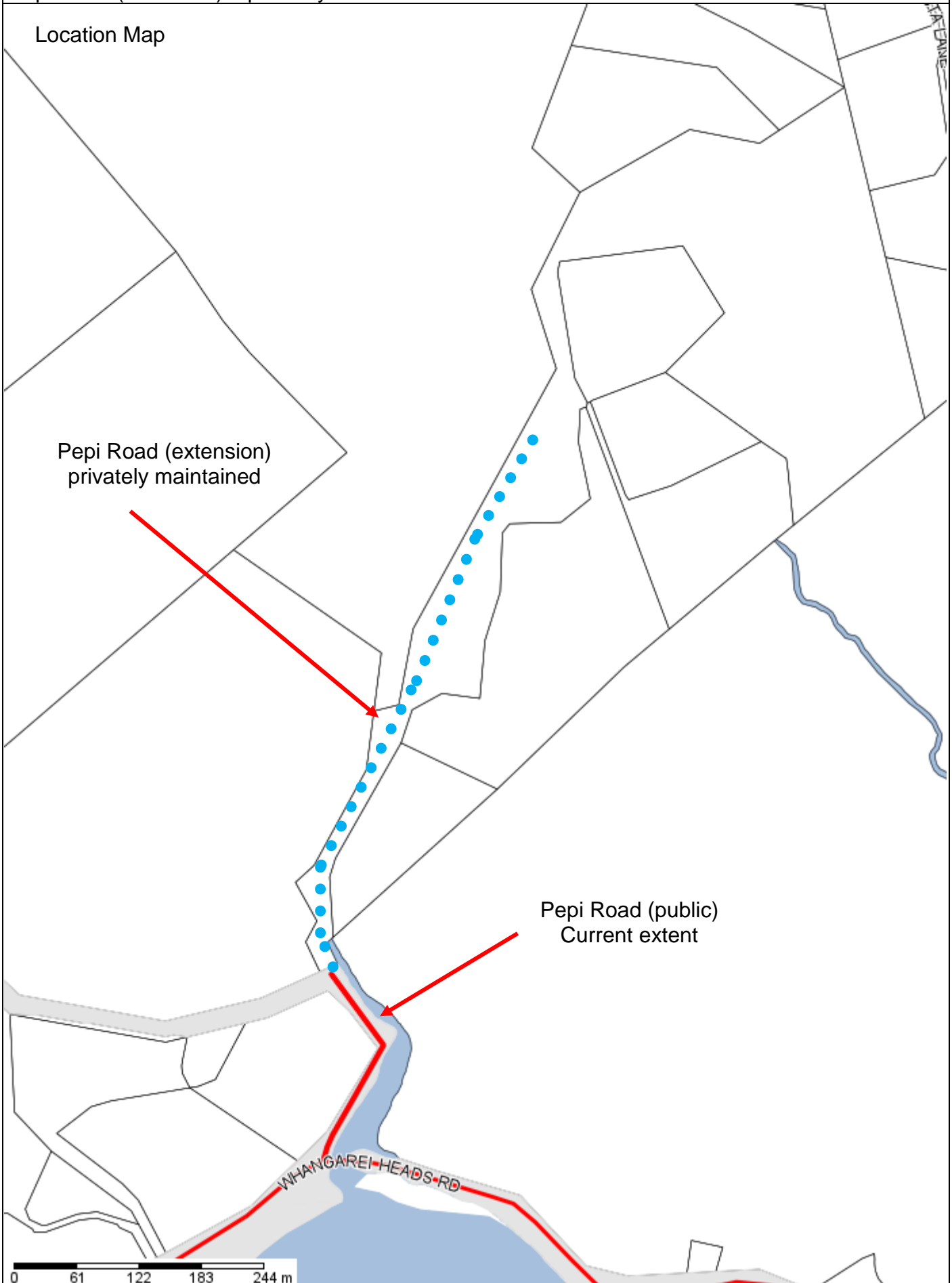


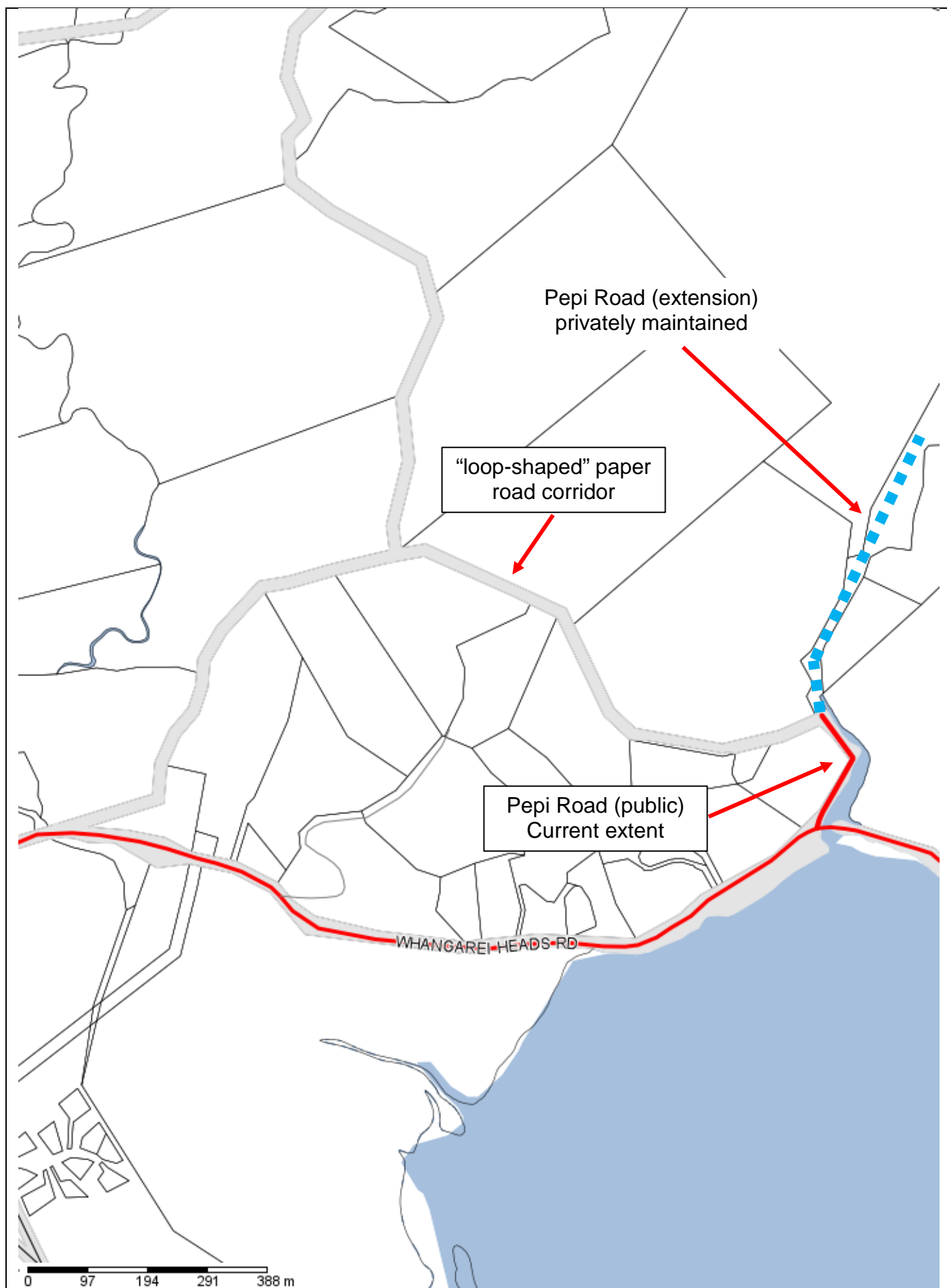


**Roberts – SD1500010 – New Road Name**

Pepi Road (extension) – privately maintained

Location Map







## 6.8 Road Extension and Private Accessway Naming – RMA Consents – Slatter – SD1800176

**Meeting:** Whangarei District Council  
**Date of meeting:** 30 April 2020  
**Reporting officer:** Ricardo Zucchetto – Post Approvals Officer – RMA Consents

### 1 Purpose

To name a public road extension and common access lot in the Whangarei district to assign unique addresses for properties to be readily locatable by emergency services responders and service delivery providers.

### 2 Recommendations

That Council approve:

1. The name of the road extension off Tironui Drive as Tironui Drive.
2. The common access lot off Tironui Drive as Awanui Lane.

### 3 Background

An approved subdivision by Derek & Joanne Slatter – SD1800176 requires road name approval for the extension of road at the end of Tironui Drive and the naming of a common access lot to clearly identify related addresses along future roads around this development.

### 4 Consultation

The Road Naming Policy (s.5.2.3) stipulates that extensions to roads will automatically be named as per the existing names. As such, the extension of Tironui Drive shall be named Tironui Drive. A new name is also proposed for the common access lot off Tironui Drive.

No consultation was undertaken as the developer owns the land.

### 5 Significance and engagement

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

### 6 Attachments

1. Slatter – SD1800176 – Road Naming Application - Amended
2. Slatter – SD1800176 – Location Map



## Application for Road Naming

Thank you for making an application to name a proposed road.

### Points to remember when making an application

- ❖ Please print clearly to ensure the form is easy to read.
- ❖ We will respond in writing to every application received. Please ensure that you provide appropriate contact details so that our response gets back to you.
- ❖ Your application will not be returned to you once it is lodged with Council. Please keep a copy for your reference.

### Important Considerations

- ❖ Please refer to the **Road Naming Policy** and **Road Naming Index** prior to making your application. These documents will be helpful when proposing road names. Both documents can be found on the Council website at [www.wdc.govt.nz](http://www.wdc.govt.nz)

### How to get this application to us

Mail to: Attn: Administration Team Leader – Resource Consents  
 Whangarei District Council  
 Private Bag 9023  
 WHANGAREI 0148

Fax to: 09 438 7632

Email to: [mailroom@wdc.govt.nz](mailto:mailroom@wdc.govt.nz)

### Applicant Details

First name(s) DEREK SLATTER

Last name \_\_\_\_\_

Postal address \_\_\_\_\_

Best day-time phone number \_\_\_\_\_ Mobile 0274962575

Email derekslatter@gmail.com

### Resource Consent Details

Resource Consent application number SD1800176

### Agent Details

Name of Agent CHRIS KNAPP Agent ref 14154

Agent postal address PO Box 191, WHANGAREI

Best day-time phone number 094383563 Mobile \_\_\_\_\_

Email chris@reynburnandbryant.co.nz

## Proposed Road Name Details

Please indicate whether the road is Public or Private (✓ box)

☐ Public

☒ Private

**Proposed road name 1**

AWANUI LANE

Reason

Please find attached document.

**Proposed road name 2**

OAKRIDGE ~~GLADE~~ Lane (changed via email - 16/03/2020)

Reason

Please find attached document.

**Proposed road name 3**

TE HIHI LANE

Not viable - too close to similar name

Reason

Please find attached document.

❖ Please supply a scheme plan map in Black and White with Road or ROW clearly marked when submitting your application.

**SD1800176 – ROAD NAMING APPLICATION****AWANUI LANE**

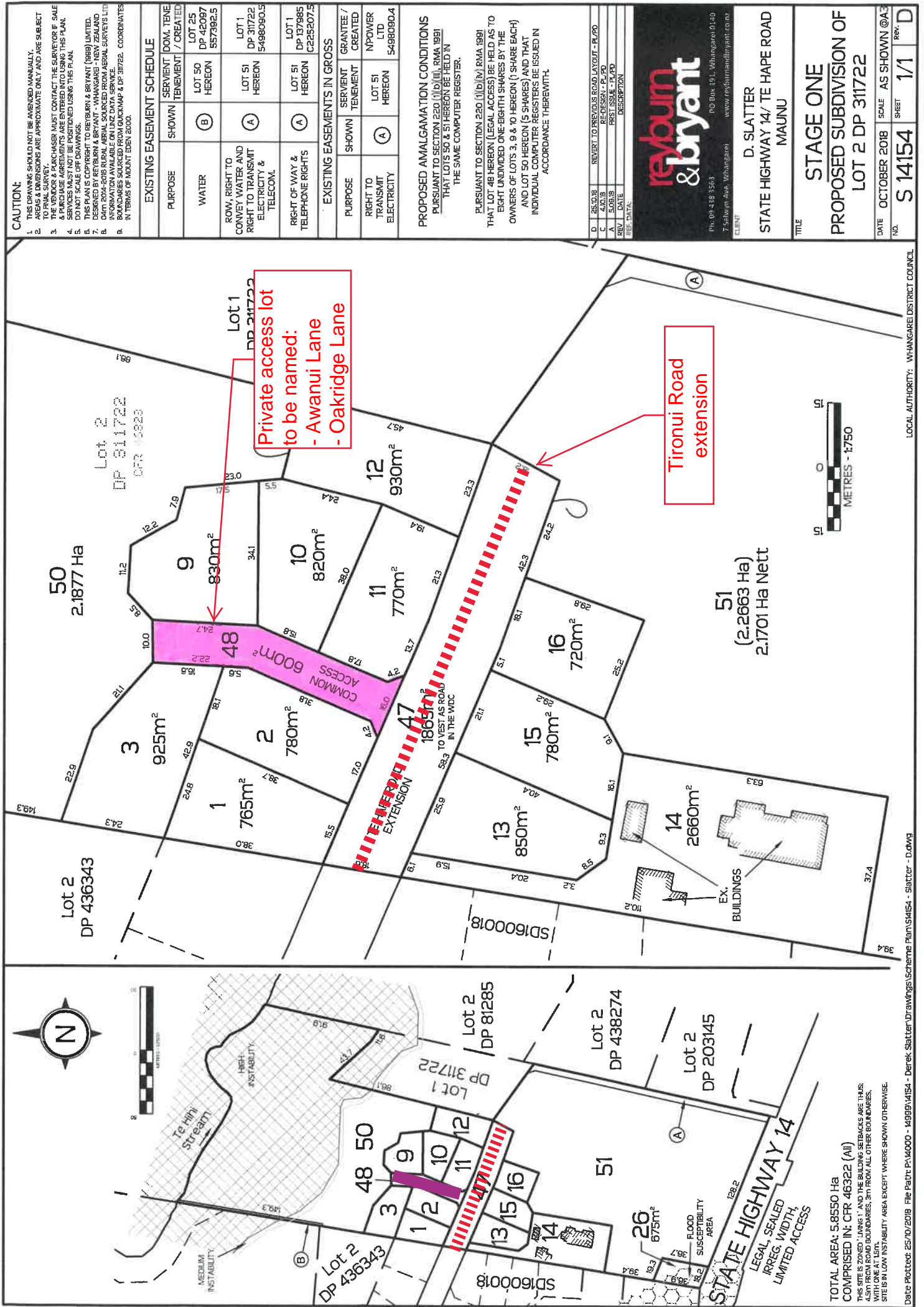
Our property has been in our ownership for 18 years and we have planted over 25 flowering cherry trees on the property. More are planned to be planted and made a feature of in the subdivision this June. Awanui is the variety of flowering cherry tree we have planted.

**OAKRIDGE GLADE**

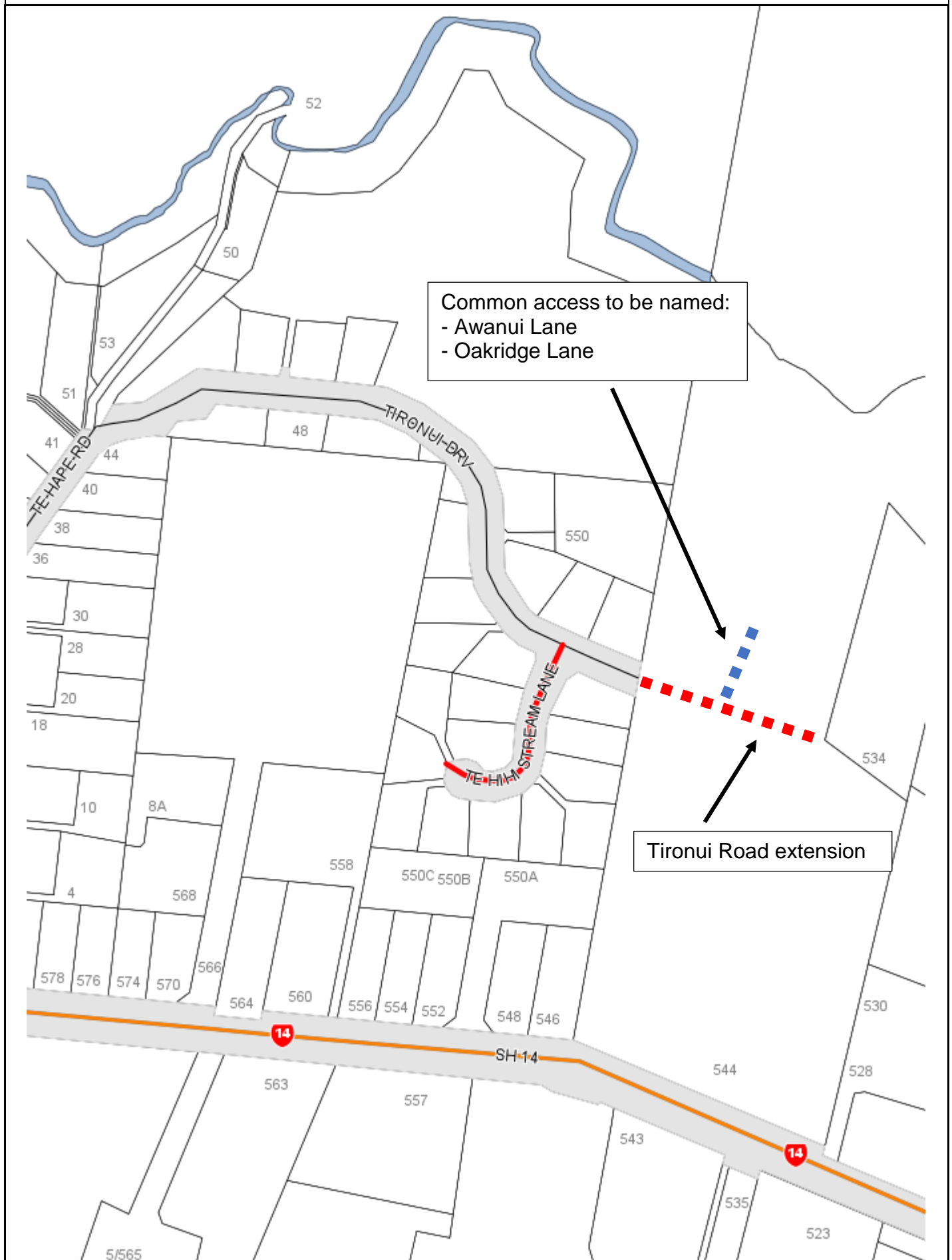
This is aligned with the oak tree on the corner.

**TE HIHI LANE**

Access heads towards the stream to the esplanade around the stream.



## Slatter – SD1800176 – Road Name Location Map







## **6.9 New Road and Private Access Names – RMA Consents – TMB Developments – SL1800010**

**Meeting:** Whangarei District Council  
**Date of meeting:** 30 April 2020  
**Reporting officer:** Ricardo Zucchetto – Post Approvals Officer – RMA Consents

### **1 Purpose**

To name 1 public road and 2 private accessways in the Whangarei district to assign unique addresses for properties to be readily locatable by emergency services responders and service delivery providers.

### **2 Recommendations**

That Council approve:

1. The new public road off Three Mile Bush Road as Stoney Hill Road.
2. The private accessway “C/D” as Clover Lane.
3. The private accessway “G” as John Bunion Way

### **3 Background**

An approved subdivision by TMB Developments – SL1800010 requires approval of 1 public road name and 2 private accessways to clearly identify related addresses along future roads around this development.

### **4 Consultation**

No consultation was undertaken as the developer owns the land.

### **5 Significance and engagement**

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council’s Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

### **6 Attachments**

1. TMB Developments – SL1800010 – Road Naming Application - Amended
2. TMB Developments – SL1800010 – Location Map



## Application for Road Naming

Thank you for making an application to name a proposed road.

### Points to remember when making an application

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- ❖ We will respond in writing to every application received. Please ensure that you provide appropriate contact details so that our response gets back to you.
- ❖ Your application will not be returned to you once it is lodged with Council. Please keep a copy for your reference.

### Important Considerations

- ❖ Please refer to the **Road Naming Policy** and **Road Naming Index** prior to making your application. These documents will be helpful when proposing road names. Both documents can be found on the Council website at [www.wdc.govt.nz](http://www.wdc.govt.nz)

### How to get this application to us

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 Whangarei District Council  
 Private Bag 9023  
 WHANGAREI 0148

Fax to: 09 438 7632

Email to: [mailroom@wdc.govt.nz](mailto:mailroom@wdc.govt.nz)

### Applicant Details

First name(s) MCGREGOR

Last name 9- MEGAN MCGREGOR

Postal address 11 McDONALD ROAD, RD4, WHANGAREI HEADS  
0174

Best day-time phone number \_\_\_\_\_ Mobile 027 346 4194

Email megan.mcgregor@raywhite.com.

### Resource Consent Details

Resource Consent application number SL1800010

### Agent Details

Name of Agent REYBURN AND BRYANT Agent ref 14744

Agent postal address PO BOX 191, WHANGAREI 0140

Best day-time phone number 094383563 Mobile 021 761016

Email phil@reyburnandbryant.co.nz.

## Proposed Road Name Details

Please indicate whether the road is Public or Private (✓ box)

☒ Public

☐ Private

**Proposed road name 1**

STONEY HILL ROAD

Reason

The road leads to the Stoney hill paddock.

**Proposed road name 2**

ARMY CAMP ROAD

Reason

American Army camped out in the bush.

**Proposed road name 3**

Reason

❖ Please supply a scheme plan map in Black and White with Road or ROW clearly marked when submitting your application.

THE ENTIRE PORTION OF THE SITE TO BE SUBDIVIDED IS ZONED 'UTE' AND THE SETBACKS ARE THUS: 20M FROM ROAD, 50M MAXIMUM FROM ANOTHER BUILDING OR BUILDING SITE.

THE REMAINDER OF THE SITE IS ZONED 'COUNTRYSIDE'

**PROPOSED AMALGAMATION CONDITION:**

PURSUANT TO S220(f)(b)(ii) RMA 1991:  
THAT LOTS 100 - 104 HEREON BE HELD IN THE SAME  
COMPUTER REGISTER.

PROPOSED EASEMENT SCHEDULE			
PURPOSE	SHOWN	SERV.TEN.	DOM.TEN.
RIGHT OF WAY & RIGHT TO DRAIN SEWAGE	(B)	LOT 102 HEREON	LOTS 25 & 26 HEREON
	(C)	LOT 13 HEREON	LOTS 9 - 12 & 14 HEREON
	(D)	LOT 10 HEREON	LOTS 9, 11 & 12 HEREON
	(G)	LOT 100 HEREON	LOTS 16 - 20 & 27 HEREON
	(H)		LOTS 18, 19 & 27 HEREON
RIGHT TO DRAIN WATER	(W)	LOT 14 HEREON	LOT 101 HEREON
RIGHT TO DRAIN SEWAGE	(B)	LOT 102 HEREON	LOTS 21 - 25 HEREON
	(C)	LOT 13 HEREON	LOT 8 HEREON
	(E)	LOT 10 HEREON	LOTS 9, 11, 12 & 101 HEREON
	(J)	LOT 100 HEREON	LOTS 16 - 20 & 27 HEREON
	(K)	LOT 102 HEREON	LOTS 21 - 26 HEREON
	(L)	LOT 101 HEREON	LOTS 1 - 7 HEREON
	(T)	LOT 101 HEREON	LOTS 10 - 13 HEREON
	(X)	LOT 102 HEREON	LOTS 2 - 5, 23 - 26 & 101 HEREON
FIRE FIGHTING SUPPLY	(Y)	LOT 101 HEREON	LOTS 6 - 15, 21 & 22 HEREON
	(Z)	LOT 100 HEREON	LOTS 16 - 20 & 27 HEREON
PROPOSED EASEMENTS IN GROSS			
PURPOSE	SHOWN	SERV.TEN. (BURDENED)	GRANTEE
RIGHT TO DRAIN WATER	(A)	LOT 103 HEREON	WHANGAREI DISTRICT COUNCIL
FUTURE SERVICES	(I)	LOT 2 HEREON	
	(Q)	LOT 101 HEREON	
	(U)		



METRES - 1:3000

Lot 1  
DP 25589

PI  
DOI: 10.1002/229

LOT 1  
SD 1800047

McGregor  
422 THREE MILE BUSH RD

**TITLE**

**PROPOSED SUBDIVISION  
OF LOT 2 SD 1800047  
(FORMERLY PT LOT 2 DP 16082)**

DATE	SEPT. 2019	SCALE	1:3000 @A3
NO.	S14744	SHEET	1/2
		Rev.	M

LOCAL AUTHORITY: WHANGAREI DISTRICT COUNCIL

Date Plotted: 13/05/2019 File Path: F:\4000 - 14999\4/44 - McGregor UT\Drawings\Scheme Plan\514/44 - McGregor - Rev M.dwg

## Application for Road Naming

Thank you for making an application to name a proposed road.

### Points to remember when making an application

- ❖ Please print clearly to ensure the form is easy to read.
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Whangarei District Council  
Private Bag 9023  
WHANGAREI 0148

Fax to: 09 438 7632

Email to: [mailroom@wdc.govt.nz](mailto:mailroom@wdc.govt.nz)

### Applicant Details

First name(s) MCGREGOR

Last name 9- MEGAN MCGREGOR

Postal address 11 McDONALD ROAD, RD4, WHANGAREI HEADS  
0174

Best day-time phone number \_\_\_\_\_ Mobile 027 346 4194

Email megan.mcgregor@raywhite.com

### Resource Consent Details

Resource Consent application number SL1800010

### Agent Details

Name of Agent REYBURN AND BRYANT Agent ref 14744

Agent postal address PO Box 191, WHANGAREI 0140

Best day-time phone number 094383563 Mobile 021 761016

Email phil@reyburnandbryant.co.nz

## Proposed Road Name Details

Please indicate whether the road is Public or Private (✓ box)

☐ Public ☒ Private

**Proposed road name 1**

CLOVER LANE

**Reason**

Common plants in the pasture.

**Proposed road name 2**

PENNYROYAL PLACE

**Reason**

Common plants in the pasture.

**Proposed road name 3**

**Reason**

❖ Please supply a scheme plan map in Black and White with Road or ROW clearly marked when submitting your application.





TOTAL AREA: 14,2120 Ha  
TOTAL CFR AREA: 68,3199 Ha  
COMPRISED IN: EX. CFR 535270  
THE ENTIRE PORTION OF THE SITE TO BE SUBDIVIDED IS ZONED UTE/ AND  
THE SETBACKS ARE THUS 2001 FROM ROAD, SOUTH MAXIMUM FROM  
ANOTHER BUILDING OR BUILDING SITE.

THE REMAINDER OF THE SITE IS ZONED 'COUNTRYSIDE'.

#### PROPOSED AMALGAMATION CONDITION:

PURSUANT TO S220(1)(b) RMA 1991:  
THAT LOTS 100 - 104 HEREON BE HELD IN THE SAME  
COMPUTER REGISTER.

PROPOSED EASEMENT SCHEDULE		
PURPOSE	SHOWN	SERV.TENE. DOM.TENE.
RIGHT OF WAY & RIGHT TO DRAIN SEWAGE	(B)	LOTS 25 & 26 HEREON
	(C)	LOTS 9 - 12 & 14 HEREON
	(D)	LOTS 9, 11 & 12 HEREON
	(G)	LOTS 16 - 20 & 27 HEREON
RIGHT TO DRAIN WATER	(H)	LOTS 18, 19 & 27 HEREON
	(W)	LOT 14 HEREON
	(B)	LOT 102 HEREON
	(C)	LOT 13 HEREON
RIGHT TO DRAIN SEWAGE	(E)	LOTS 9, 11, 12 & 101 HEREON
	(J)	LOT 100 HEREON
	(K)	LOT 21 - 26 HEREON
	(L)	LOT 101 HEREON
FIRE FIGHTING SUPPLY	(T)	LOTS 10 - 13 HEREON
	(X)	LOTS 2 - 5, 23 - 26 & 101 HEREON
	(Y)	LOTS 6 - 15, 21 & 22 HEREON
	(Z)	LOTS 16 - 20 & 27 HEREON
PROPOSED EASEMENTS IN GROSS		
PURPOSE	SHOWN	SERV.TENE. (BURDENED) GRANTEE
RIGHT TO DRAIN WATER	(A)	LOT 103 HEREON
	(I)	LOT 2 HEREON
FUTURE SERVICES	(Q)	WHANGAREI DISTRICT COUNCIL
	(U)	LOT 101 HEREON

#### CAUTION:

- THIS DRAWING SHOULD NOT BE AMENDED MANUALLY.
- AREAS & DIMENSIONS ARE APPROXIMATE ONLY AND ARE SUBJECT TO FINAL SURVEY.
- THE VENDOR & PURCHASER MUST CONTACT THE SURVEYOR P. SALE FOR ANY AMENDMENTS TO THIS PLAN.
- SERVICES MUST NOT BE POSITIONED USING THIS PLAN.
- DO NOT SCALE OFF DRAWINGS.
- THIS PLAN IS COPYRIGHT TO REYBURN & BRYANT (REB) LIMITED.
- DESIGNED BY REYBURN & BRYANT - WHANGAREI - NEW ZEALAND

#### PROPOSED LAND COVENANTS

SHOWN	UNDERLYING PARCEL	AREA
(O)	LOT 102 HEREON	0.2850 Ha
(K)	LOT 102 HEREON	0.2460 Ha
(M)	LOT 102 HEREON	1.9075 Ha
(N)	LOT 101 HEREON	0.2690 Ha
(L)	LOT 101 HEREON	0.5075 Ha
(F)	LOT 101 HEREON	3.1640 Ha
(J)	LOT 100 HEREON	0.4440 Ha
(R)	LOT 103 HEREON	0.8960 Ha
(S)	LOT 104 HEREON	0.0450 Ha
(T)	LOT 101 HEREON	0.1235 Ha
(V)	LOT 102 HEREON	0.1130 Ha
TOTAL "NO BUILD" AREA: 7.5005Ha		

#### PROPOSED PART-CANCELLATION OF CONDITIONAL EASEMENTS

PURSUANT TO SECTION 243(e) OF THE RMA 1991:  
THE CONDITION AS TO THE CREATION OF:  
THE RIGHT OF WAY MARKED A ON SD1800047;  
OVER LOT 3 SD 1800047; CREATED BY SD1800047;  
IS TO BE CANCELLED AS IT RELATES TO LOT 2 SD  
1800047.

REASON: ACCESS WILL BE GAINED ELSEWHERE.

REV	DATE	DESCRIPTION
M	12/09/19	CLIENT AMENDMENTS - PL/CC
L	14/03/19	AMEND TO REFLECT BASEMAP CHANGES - PL/59
J	24/01/19	RELOCATE LOT 28 - PL/CC
B	05/12/17	REDESIGN - CC/58
REF DATA	14/7/18	

**reyburn & bryant**  
Ph: 09 338 3503  
PO Box 191, Whangarei  
7 Selwyn Ave, Whangarei  
www.reyburnandbryant.co.nz  
CLIENT

McGregor  
422 THREE MILE BUSH ROAD, KAMO

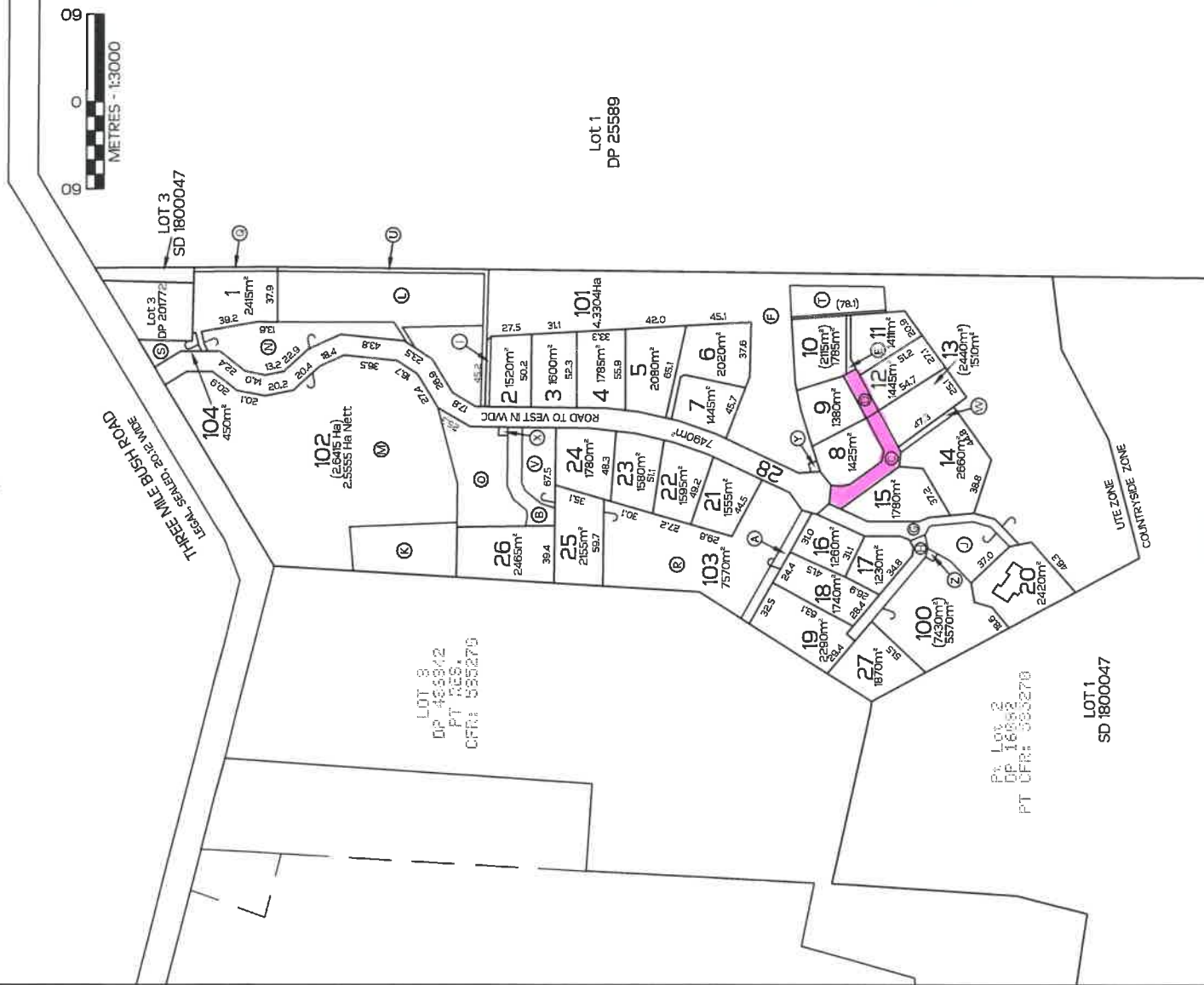
TITLE

PROPOSED SUBDIVISION  
OF LOT 2 SD 1800047  
(FORMERLY PT LOT 2 DP 16082)

DATE	SEPT. 2019	SCALE	1:3000 @A3
NO.	S 14744	SHEET	1/2
REV.	M		

LOCAL AUTHORITY: WHANGAREI DISTRICT COUNCIL

Date Plotted: 13/09/2019 File Path: P:\14000 - McGregor - UTE Drawings Scheme Plan\14744 - McGregor - Rev M.dwg





## Application for Road Naming

Thank you for making an application to name a proposed road.

### Points to remember when making an application

- ❖ Please print clearly to ensure the form is easy to read.
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### Important Considerations

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Agent postal address PO Box 191, WHANGAREI 0140

Best day-time phone number 094383563 Mobile 021 761016

Email phil@reyburnandbryant.co.nz.

## Proposed Road Name Details

Please indicate whether the road is Public or Private (✓ box)

☐ Public

☒ Private

**Proposed road name 1**

JOHN BUNION WAY

**Reason**

John Bunion Campbell was the original Campbell  
Seetlor that carved a place out of the bush.

**Proposed road name 2**

FRIDAYS WAY

**Reason**

Friday is a local (historical) personality with plenty  
of stories about him from the locals who have  
grown up here.

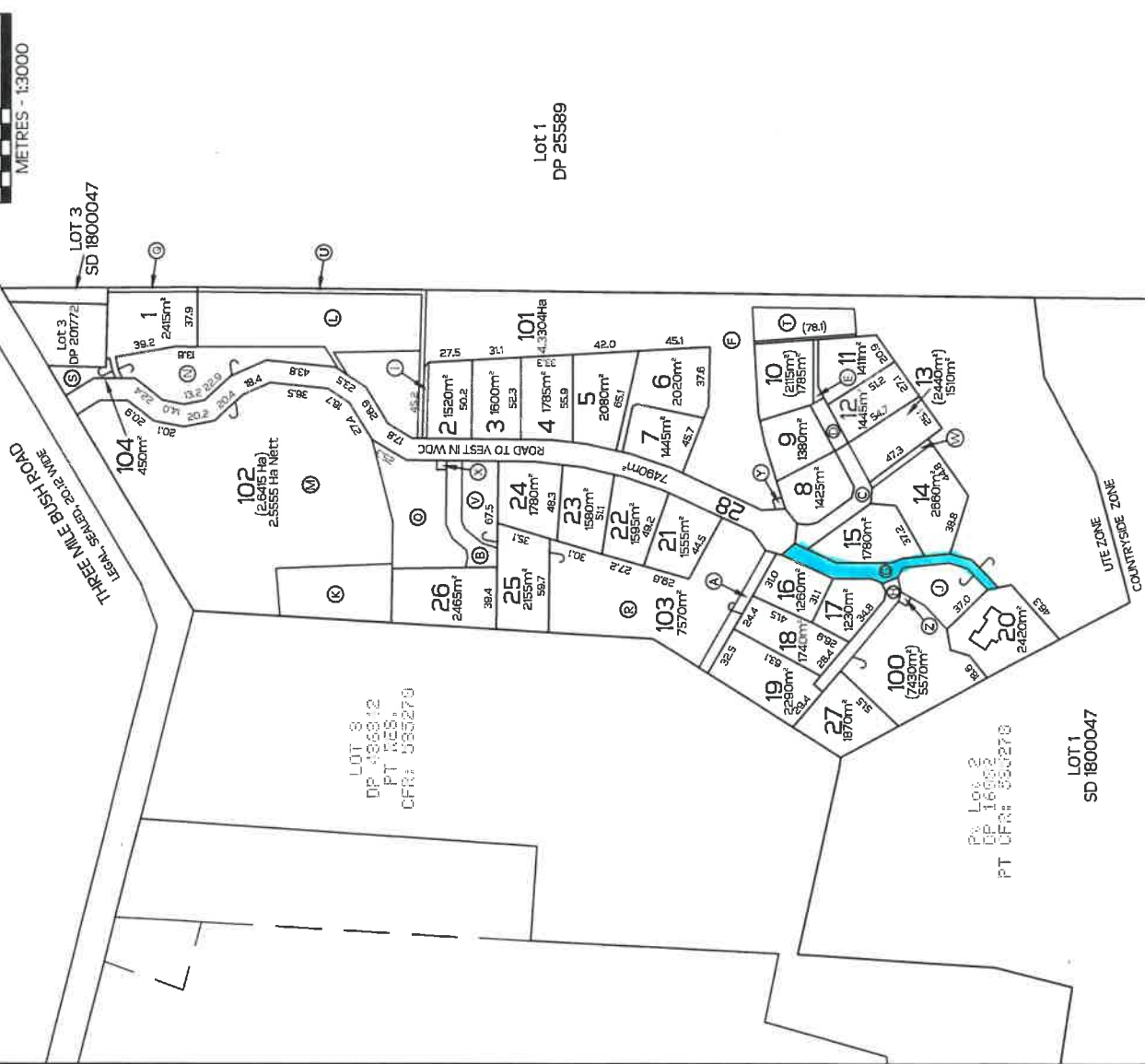
**Proposed road name 3**

**Reason**

❖ Please supply a scheme plan map in Black and White with Road or ROW clearly marked when submitting your application.

FOR SCANT 10 SEEDS OF KINIA 195%  
THAT LOTS 100 - 104 HEREON BE HELD IN THE SAME  
COMPUTER REGISTER.

PROPOSED EASEMENT SCHEDULE			
PURPOSE	SHOWN	SERV.TENUE.	DOM.TENUE.
RIGHT OF WAY & RIGHT TO DRAIN SEWAGE	(B)	LOT 102 HEREON	LOTS 25 & 26 HEREON
	(C)	LOT 13 HEREON	LOTS 9 - 12 & 14 HEREON
	(D)	LOT 10 HEREON	LOTS 9, 11 & 12 HEREON
	(G)	LOT 100 HEREON	LOTS 16 - 20 & 27 HEREON
	(H)		LOTS 18, 19 & 27 HEREON
RIGHT TO DRAIN WATER	(W)	LOT 14 HEREON	LOT 101 HEREON
	(B)	LOT 102 HEREON	LOTS 21 - 25 HEREON
RIGHT TO DRAIN SEWAGE	(C)	LOT 13 HEREON	LOT 8 HEREON
	(E)	LOT 10 HEREON	LOTS 9, 11, 12 & 101 HEREON
	(J)	LOT 100 HEREON	LOTS 16 - 20 & 27 HEREON
	(K)	LOT 102 HEREON	LOTS 21 - 26 HEREON
	(L)	LOT 101 HEREON	LOTS 1 - 7 HEREON
	(T)	LOT 101 HEREON	LOTS 10 - 13 HEREON
	(X)	LOT 102 HEREON	LOTS 2 - 5, 23 - 26 & 101 HEREON
FIRE FIGHTING SUPPLY	(Y)	LOT 101 HEREON	LOTS 6 - 15, 21 & 22 HEREON
	(Z)	LOT 100 HEREON	LOTS 16 - 20 & 27 HEREON
PROPOSED EASEMENTS IN GROSS			
PURPOSE	SHOWN	SERV.TENUE. (BURDENED)	GRANTEE
RIGHT TO DRAIN WATER	(A)	LOT 103 HEREON	WHANGAREI DISTRICT COUNCIL
	(I)	LOT 2 HEREON	
FUTURE SERVICES	(Q)	LOT 101 HEREON	
	(U)		



DATE	SEPT. 2019	SCALE	1:3000 @A3
NO.	S 14744	SHEET	1/2 REV. M

## Application for Road Naming

Thank you for making an application to name a proposed road.

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Agent postal address PO Box 191, WHANGAREI 0140

Best day-time phone number 094383563 Mobile 021 761016

Email phil@reyburnandbryant.co.nz.

**Naming of access "H" not necessary - WDC  
Addressing Team confirmed not required  
(Email 16/12/2019)**

## Proposed Road Name Details

Please indicate whether the road is Public or Private (✓ box)

☐ Public ☒ Private

**Proposed road name 1** BULL PADDOCK WAY

**Reason** Historically bulls were run in the "bull paddock".

**Proposed road name 2** PIG PADDOCK LANE

**Reason** There are still remnants of the pig sty's that wherein the "pig paddock".

**Proposed road name 3**

**Reason**

❖ Please supply a scheme plan map in Black and White with Road or ROW clearly marked when submitting your application.

**Naming of access "H" not necessary - WDC  
Addressing Team confirmed not required**



## CAUTION:

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- THE VENDOR & PURCHASER MUST CONTACT THE SURVEYOR FOR SALE OF THE LAND AND MUST BE ADVISED OF THE CONTENTS OF THIS PLAN.
- SERVICES MUST NOT BE POSITIONED USING THIS PLAN.
- DO NOT SCALE OFF DRAWINGS.
- THIS PLAN IS COPYRIGHT TO REYBURN & BRYANT (1999) LIMITED.
- DESIGNED BY REYBURN & BRYANT - WHANGAREI - NEW ZEALAND

## PROPOSED LAND COVENANTS

SHOWN	UNDERLYING PARCEL	AREA
(D)	LOT 102 HEREON	0.2850 Ha
(K)	LOT 102 HEREON	0.2460 Ha
(M)	LOT 102 HEREON	1.9075 Ha
(N)	LOT 101 HEREON	0.2690 Ha
(L)	LOT 101 HEREON	0.5075 Ha
(F)	LOT 101 HEREON	3.1640 Ha
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(T)	LOT 101 HEREON	0.1235 Ha
(V)	LOT 102 HEREON	0.1130 Ha
TOTAL "NO BUILD" AREA: 7.5005Ha		

PROPOSED PART-CANCELLATION OF  
CONDITIONAL EASEMENTS

PURSUANT TO SECTION 243(e) OF THE RMA 1981:  
THE CONDITION AS TO THE CREATION OF:  
THE RIGHT OF WAY MARKED A ON SD1800047;  
OVER LOT 3 SD 1800047; CREATED BY SD1800047;  
IS TO BE CANCELLED AS IT RELATES TO LOT 2 SD  
1800047.

REASON: ACCESS WILL BE GAINED ELSEWHERE.

REV	DATE	DESCRIPTION
M	12/08/19	CLIENT AMENDMENTS - R/ACC
L	14/03/19	AMEND TO REFLECT BASEGROUP CHANGES - R/5B
J	24/01/19	RELOCATE LOT 28 - R/ACC
B	05/12/17	REDESIGN - CC/5B
REV	DATE	DESCRIPTION
REF DATA 14744		

**reyburn  
& bryant**

Ph: 09 438 1503  
PO Box 19, Whangarei 01 00  
www.reyburnandbryant.co.nz

CLIENT

McGregor  
422 THREE MILE BUSH ROAD, KAMO

TITLE

PROPOSED SUBDIVISION  
OF LOT 2 SD 1800047  
(FORMERLY PT LOT 2 DP 16082)

DATE	SEPT. 2019	SCALE	1:3000 @A3
NO.	S 14744	SHEET	1/2
REV.	M		

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Naming of access "H" not necessary - WDC  
Addressing Team confirmed not required

TOTAL AREA: 14.2120 Ha  
TOTAL CFR AREA: 68.3199 Ha  
COMPRISED IN: EX. CFR 535270

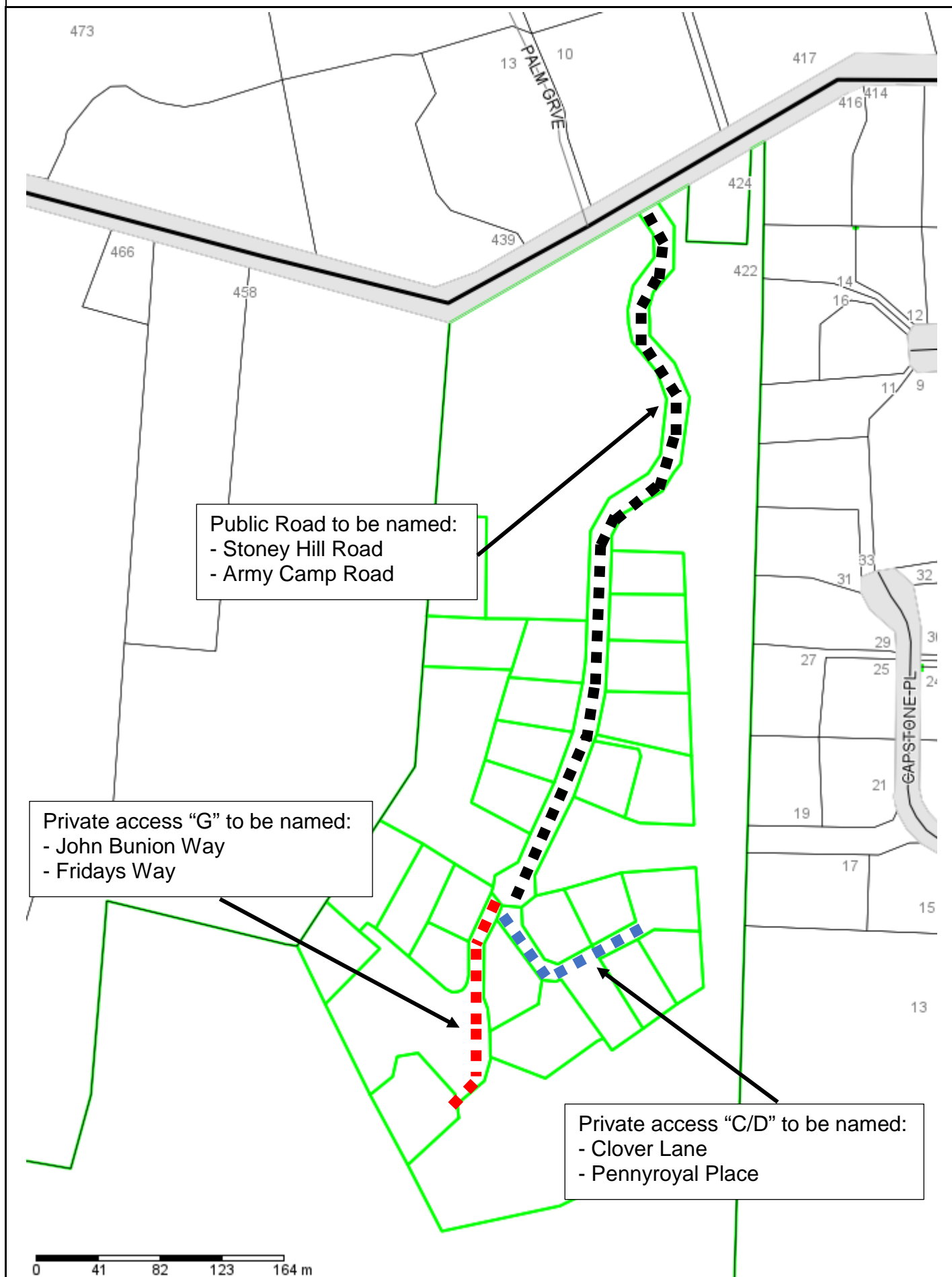
THE ENTIRE PORTION OF THE SITE TO BE SUBDIVIDED IS ZONED UTE\* AND  
THE SETBACKS ARE AS SHOWN AND MUST BE MAINTAINED FROM  
ANOTHER BUILDING OR BUILDING SITE.

THE REMAINDER OF THE SITE IS ZONED 'COUNTRYSIDE'.

PROPOSED AMALGAMATION CONDITION:  
PURSUANT TO S220(1)(b) RMA 1981  
THAT LOTS 100 - 104 HEREON BE HELD IN THE SAME  
COMPUTER REGISTER.

PROPOSED EASEMENT SCHEDULE		
PURPOSE	SHOWN	SERV. TENE. DOM. TENE.
RIGHT OF WAY & RIGHT TO DRAIN SEWAGE	(B)	LOTS 25 & 26 HEREON
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	(D)	LOTS 9, 11 & 12 HEREON
	(G)	LOTS 16 - 20 & 27 HEREON
RIGHT TO DRAIN WATER	(H)	LOTS 18, 19 & 27 HEREON
	(W)	LOT 14 HEREON
RIGHT TO DRAIN SEWAGE	(B)	LOTS 21 - 25 HEREON
	(C)	LOT 13 HEREON
	(E)	LOTS 9, 11, 12 & 101 HEREON
	(J)	LOTS 16 - 20 & 27 HEREON
FIRE FIGHTING SUPPLY	(K)	LOTS 21 - 26 HEREON
	(L)	LOTS 1 - 7 HEREON
	(T)	LOTS 10 - 13 HEREON
	(X)	LOTS 2 - 5, 23 - 26 & 101 HEREON
PROPOSED EASEMENTS IN GROSS	(Y)	LOTS 6 - 15, 21 & 22 HEREON
	(Z)	LOTS 16 - 20 & 27 HEREON
	(A)	LOT 103 HEREON
	(I)	LOT 2 HEREON
RIGHT TO DRAIN WATER	(Q)	LOT 101 HEREON
	(U)	LOT 101 HEREON
GRANTEE		
WHANGAREI DISTRICT COUNCIL		

# TMB Developments – SL1800010 – Road Name Location Map







## 6.10 Road Extension Naming – RMA Consents – Totara Parklands – SD1900017

**Meeting:** Whangarei District Council  
**Date of meeting:** 30 April 2020  
**Reporting officer:** Ricardo Zucchetto – Post Approvals Officer – RMA Consents

### 1 Purpose

To name two public road extensions in the Whangarei district to assign unique addresses for properties to be readily locatable by emergency services responders and service delivery providers.

### 2 Recommendations

That Council approve:

1. The name of the road extension off Okaihau Place as Okaihau Place.
2. The name of the road extension off Maui Place as Maui Place.

### 3 Background

An approved subdivision by Totara Parklands – SD1900017 requires road name approval for extensions to roads at the end of Okaihau Place and Maui Place to clearly identify related addresses along future public roads of this development.

### 4 Consultation

The Road Naming Policy (s.5.2.3) stipulates that extensions to roads will automatically be named as per the existing names. As such, the extension of Okaihau Place shall be named Okaihau Place and the extension of Maui Place as Maui Place.

No consultation was undertaken as the developer owns the land.

### 5 Significance and engagement

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

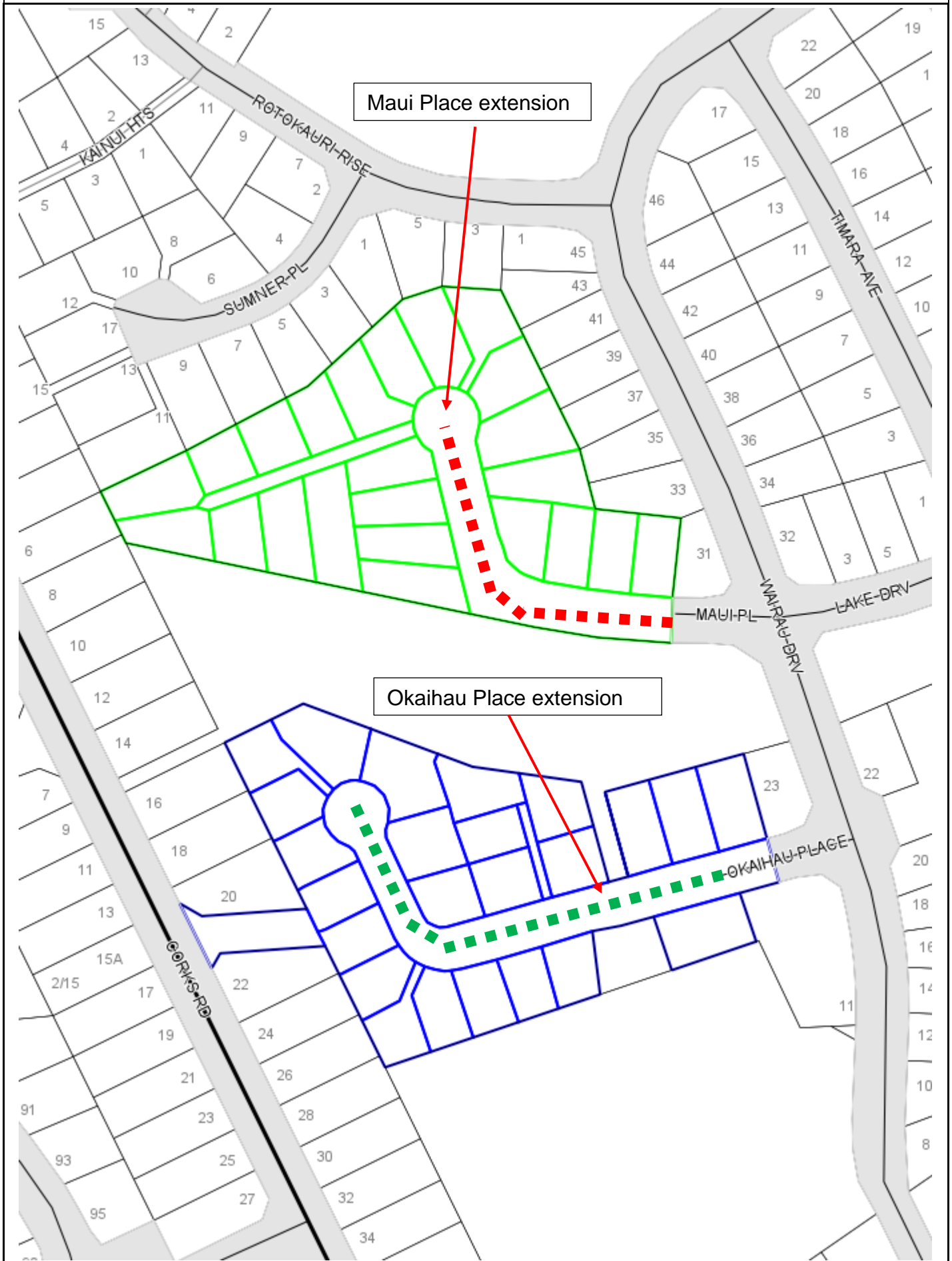
### 6 Attachment

Totara Parklands – SD1900017 – Location Map



# Totara Parklands – SD1900017 – Location Map

Okaihau Place extension and Maui Place extension





## 6.11 Private Accessway Name Application – RMA Consents – Williamson – SL1600006

**Meeting:** Whangarei District Council  
**Date of meeting:** 30 April 2020  
**Reporting officer:** Ricardo Zucchetto – Post Approvals Officer – RMA Consents

### 1 Purpose

To name a private accessway in the Whangarei district to assign unique addresses for properties to be readily locatable by emergency services responders and service delivery providers.

### 2 Recommendation

That Council approve the private access “A” off Hawken Road as Bob Williamson Lane.

### 3 Background

An approved subdivision by Williamson – SL1600006 requires approval for the naming of an access area to clearly identify related addresses around this development.

The Road Naming Policy states that “*roads should not be named after any commercial organization or any living or recently deceased person*” (Section 5.6.8) but may be used if “*the family name of the former owner or a farm or property may be used if a historical context is established*” (Section 7.1.2). Bob Williamson is the grandfather of the developer who suggested the name. The explanation and linkage to the land and wider community of Bob Williamson is outlined in the road naming application as attached.

### 4 Consultation

No consultation was undertaken as the developer owns the land.

### 5 Significance and engagement

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council’s Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

### 6 Attachments

1. Williamson – SL1600006 – Road Name Application
2. Williamson – SL1600006 – Location Map





## Application for Road Naming

Thank you for making an application to name a proposed road.

### Points to remember when making an application

- ❖ Please print clearly to ensure the form is easy to read.
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### Important Considerations

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### How to get this application to us

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Private Bag 9023  
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Fax to: 09 438 7632

Email to: [mailroom@wdc.govt.nz](mailto:mailroom@wdc.govt.nz)

### Applicant Details

First name(s) SHANE & DEBRA

Last name WILLIAMSON

Postal address 60 HAWKEN ROAD, RD 9, WHANGAREI 0179.

Best day-time phone number 09 434 7619 Mobile 021 438 692

Email Shane.deb@xtra.co.nz

### Resource Consent Details

Resource Consent application number SL1600006

### Agent Details

Name of Agent CHRIS KNAPP Agent ref 13863

Agent postal address PO BOX 191, WHANGAREI

Best day-time phone number 09 438 3563 Mobile -

Email chris@veyburnandbryant.co.nz

## Proposed Road Name Details

Please indicate whether the road is Public or Private (✓ box)

☐ Public

☒ Private

**Proposed road name 1** BOB WILLIAMSON LANE

**Reason**

please find attached document.

**Proposed road name 2** PIGEON WOOD LANE.

**Reason**

please find attached document.

**Proposed road name 3** GREENFIELDS LANE

**Reason**

please find attached document.

❖ Please supply a scheme plan map in Black and White with Road or ROW clearly marked when submitting your application.



Proposed Road names for Hawken Road Developments Ltd subdivision.

First choice: **Bob Williamson Lane**

Robert Norman Williamson (known as Bob) was a farmer who fought in World War 2. He was a pilot who flew Liberator bombers. After the war, in 1946 he and his wife Greta bought a farm in Maungataroto where they lived and farmed for 48 years.

In 1980 they bought the land on the side of Maunu Mountain, which back then was accessed off SH 14. Hawken Road was formed when the new SH 14 was constructed across the valley and Bob's land was number 60 Hawken Road.

Bob was great friends with Lavinia (Vin) Millington who was his neighbour in Maunu. Bob and Greta made weekly trips to Whangarei and farmed this land with dry stock. He planted all the trees running alongside SH14 and upgraded all the fencing, water requirements and internal access routes.

Bob sold the property to his grandson Shane and his wife Debra Williamson in 2002, and was very proud to be able to retain the land in the Family name. Shane's parents John and Marg Williamson have lived in Maunu for 43 years. Shane and Debra built a house at 60 Hawken Road and still farm the land currently.

Bob and Greta sold their farm in Maungataroto in 1994 and retired to Whangarei.

Greta died in 2007 aged 88. Bob died in 2011 aged 96.

Naming this road **Bob Williamson Way** is an ideal way of recognising Bob's connection to the Maunu district.

Second Choice: **Pigeon Wood Rise**

Maunu Mountain is renowned for native pigeon (Kereru) who feed on the copious amount of Taraire tree berries which cover the mountain.

Shane and Debra Williamson have witnessed flocks of up to 20 Wood Pigeons flying around.

They wanted to include the name Kereru somehow but were limited because there is Kereru St already in the district. **Pigeon Wood Rise** is a way of acknowledging both the native flora and fauna.

Third Choice: **Greenfields Lane**

Robert (Bob) Norman Williamson named his farm in Maungataroto “Greenfields”. He was very proud of his land both in Maungataroto and in Maunu

By naming the road **Greenfields Lane**, is another way of acknowledging Bob’s connection to the land at 60 Hawken Road.

## CAUTION:

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2. AREAS & DIMENSIONS ARE APPROXIMATE ONLY AND ARE SUBJECT TO FINAL SURVEY.
3. ALL CHANGES MUST BE ENTERED INTO THE PLAN.
4. SERVICES MUST NOT BE POSITIONED USING THIS PLAN.
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6. THIS PLAN IS COPYRIGHT TO REYBURN & BRYANT (1999) LIMITED.
7. DESIGNED BY REYBURN & BRYANT - WHANGAREI - NEW ZEALAND.

## PROPOSED AMALGAMATION CONDITION

PURSUANT TO S220(1)(b)(v), RMA 1991

THAT LOT 7 HEREON - LEGAL ACCESS - BE HELD AS TO 3 UNDIVIDED ONE-THIRD SHARES BY THE OWNERS OF LOTS 4, 5 & 6 HEREON AS TENANTS IN COMMON IN THE SAID SHARES AND THAT INDIVIDUAL COMPUTER REGISTERS BE ISSUED IN ACCORDANCE THEREWITH

## PROPOSED EASEMENT SCHEDULE

PURPOSE	SHOWN	SERV.TEN.	DOM.TEN.
RIGHT OF WAY & SERVICES	A	LOT 1 HEREON	LOTS 2, 3, 4, 5, 6 & 7 HEREON
	B	LOT 4 HEREON	LOTS 5, 6 & 7 HEREON
	C	LOT 5 HEREON	LOT 6 & 7 HEREON
	D	LOT 1 HEREON	LOTS 2 & 3 HEREON

## EXISTING APPURTENANT EASEMENT

LOTS 1 - 7 HEREON HAVE RIGHTS TO A SEVERED RIGHT OF WAY - NOT SHOWN - CREATED BY: A257074 FROM MILLINGTON ROAD TO TRANSMISSION TOWER OVER CURRENT LOT 7 DP 397708 CFR: 39023

APPROVED

28/11/17

THIS SITE IS ZONED UTE  
THE BUILDING SETBACKS ARE 20m FROM ROAD BOUNDARIES AND A MAXIMUM 50m FROM ANOTHER BUILDING OR BUILDING SITE.

TOTAL AREA: 4.0653Ha

COMPRISED IN CFR: NA44A/G50

REV	DATE	DESCRIPTION
D	28/01/18	SHOW LANDSCAPING & NO BUILDING AREAS - SB
C	28/01/18	SHOW LANDSCAPING & BUILDING AREAS - PD
B	28/01/18	REVISIONS - SB
A	28/01/18	FINAL ISSUE - SB

&amp;bryant

PO Box 191, Whangarei  
7 Selwyn Ave, Whangarei  
www.reyburnandbryant.co.nz

CLIENT

WILLIAMSON  
60 HAWKEN ROAD  
WHANGAREI

PROPOSED SUBDIVISION  
OF LOT 1 DP 86368

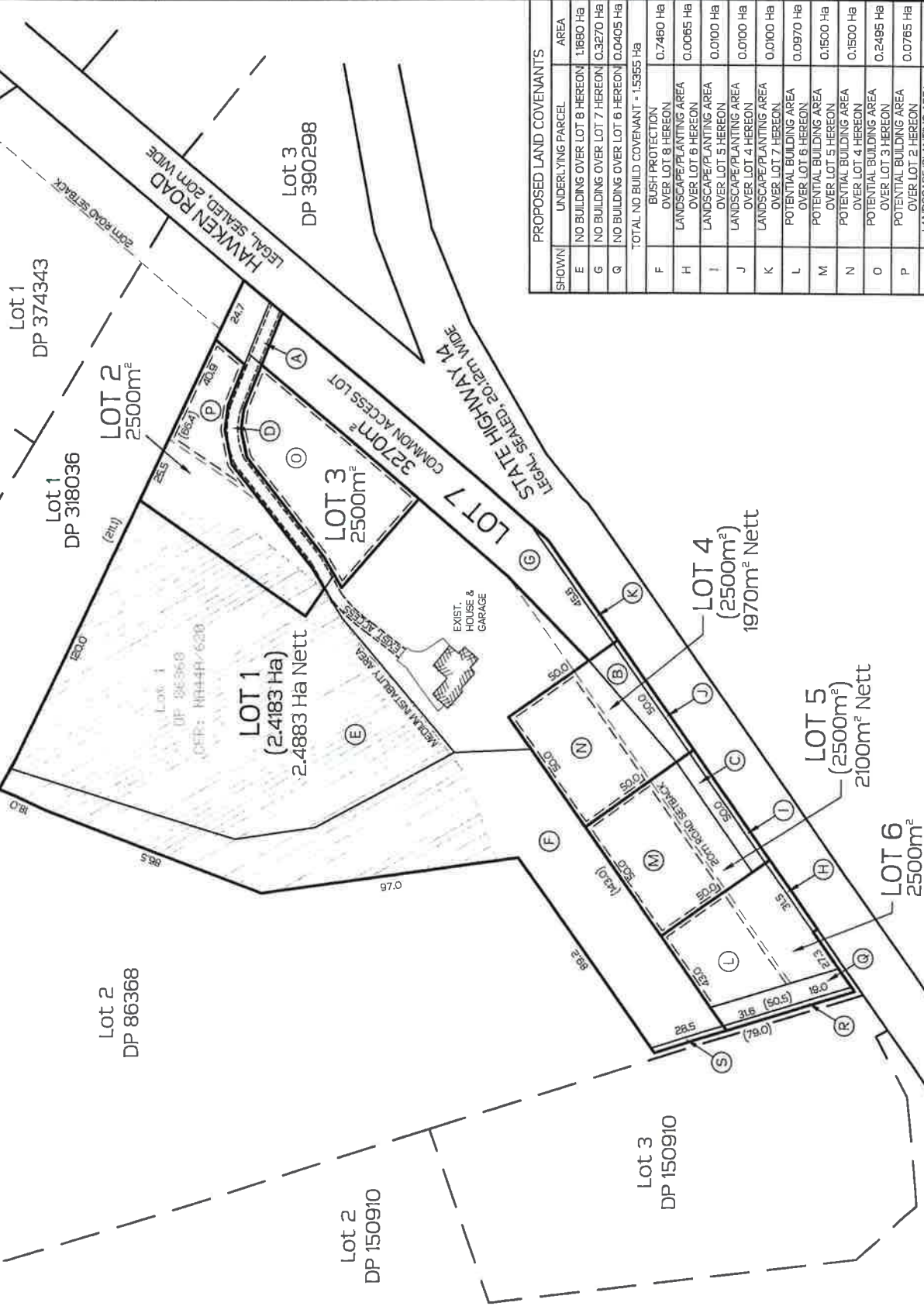
STAGED DEVELOPMENT - OVERALL  
SHEET 1 OF 3 SHEETS

DATE	AUGUST 2016	SCALE	1:1500 @A3
REV.			

S 13863

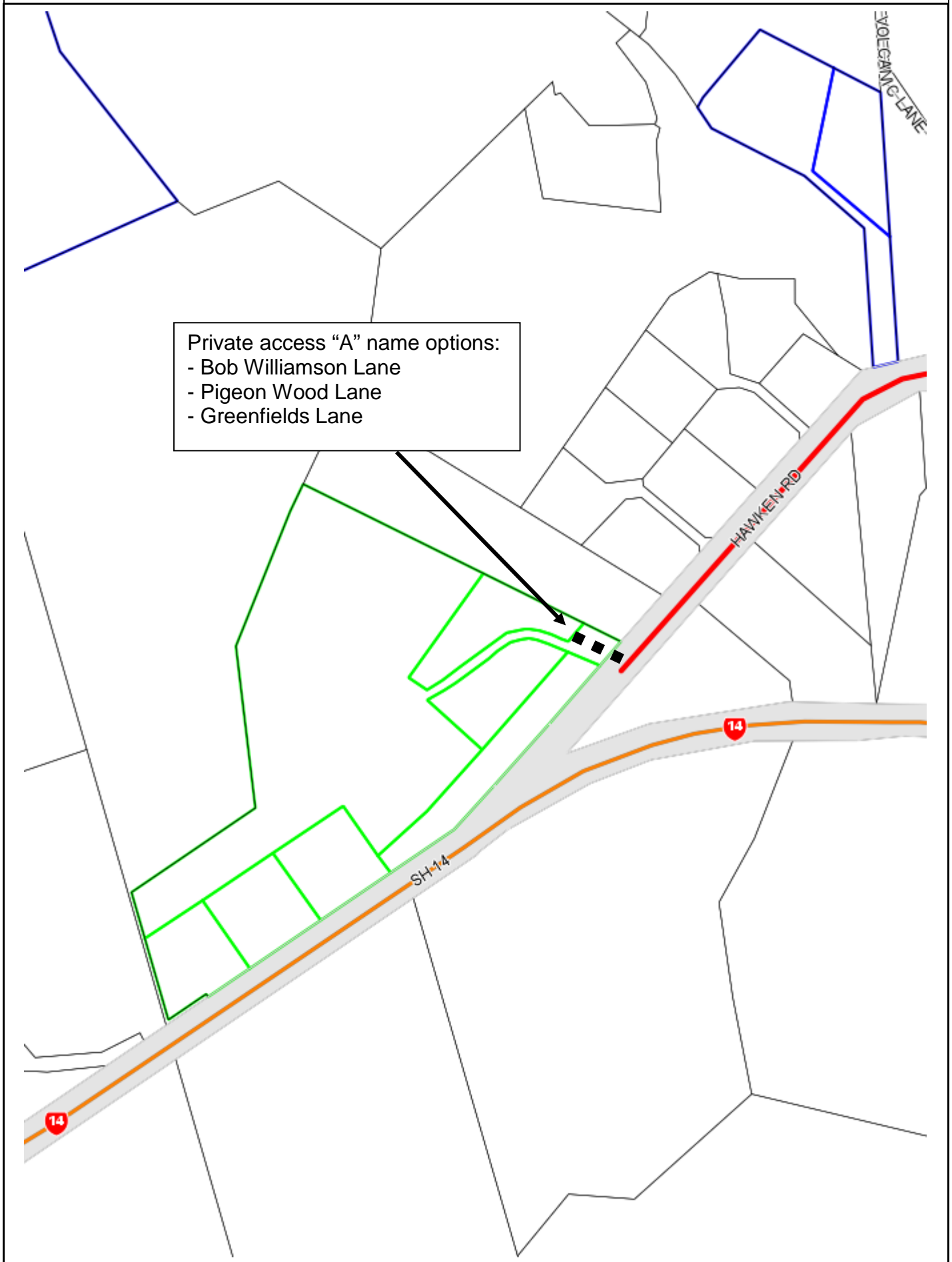
D

LOCAL AUTHORITY: WHANGAREI DISTRICT COUNCIL



SHOWN	UNDERLYING PARCEL	AREA
E	NO BUILDING OVER LOT 8 HEREON	1.680 Ha
G	NO BUILDING OVER LOT 7 HEREON	0.3270 Ha
Q	NO BUILDING OVER LOT 6 HEREON	0.0405 Ha
TOTAL NO BUILD COVENANT - 1.5395 Ha		
F	BUSH PROTECTION OVER LOT 8 HEREON	0.7480 Ha
H	LANDSCAPE/PLANTING AREA OVER LOT 6 HEREON	0.0065 Ha
I	LANDSCAPE/PLANTING AREA OVER LOT 5 HEREON	0.0100 Ha
J	LANDSCAPE/PLANTING AREA OVER LOT 4 HEREON	0.0100 Ha
K	LANDSCAPE/PLANTING AREA OVER LOT 7 HEREON	0.0100 Ha
L	POTENTIAL BUILDING AREA OVER LOT 6 HEREON	0.0970 Ha
M	POTENTIAL BUILDING AREA OVER LOT 5 HEREON	0.1500 Ha
N	POTENTIAL BUILDING AREA OVER LOT 4 HEREON	0.1500 Ha
O	POTENTIAL BUILDING AREA OVER LOT 3 HEREON	0.2495 Ha
P	POTENTIAL BUILDING AREA OVER LOT 2 HEREON	0.0765 Ha
R	LANDSCAPE/PLANTING AREA OVER LOT 6 HEREON	0.0100 Ha
S	LANDSCAPE/PLANTING AREA OVER LOT 1 HEREON	0.0056 Ha



**Williamson – SL1600006 – Road Name Location Map**



## 6.12 Risk Management Framework Review

**Meeting:** Whangarei District Council  
**Date of meeting:** Thursday 30 April 2020  
**Reporting officer:** Emily Thompson (Senior Assurance Advisor)

### 1. Purpose

To provide an overview of the proposed review of the Council's risk management framework, and how this will assist Council decision making as we move forward.

### 2. Recommendations

That Council notes:

1. That the risk management framework is due for review.
2. The recent appointment of the independent Chair of the Risk and Audit committee is an opportunity to use their expertise in a review of the risk framework.
3. That a workshop will be scheduled to review the risk management framework and risk appetite for Council.

### 3. Background

This report outlines the process for Risk Management given recent global events, and Council's upcoming decision making around responses to COVID-19 (as workshopped on Wednesday 22<sup>nd</sup> April).

Risk management is the process of identifying the risks, whether strategic or operational, which may impact the extent to which Council will achieve or exceed its objectives. It determines the consequence and probability of risks, and establishes a plan to manage them to an acceptable level. The proactive management of risks increases the likelihood of Council achieving its objectives.

There are many sources of risk to an organisation, some representing hazards while others are opportunities. Risk management involves managing risk to achieve an appropriate balance between realising opportunities for gains while minimising losses. It is an iterative process consisting of steps that, when undertaken in sequence, enable continuous improvements in decision making and performance.

The consistent evaluation of risk across Council can provide a reliable source of information for decision-making and planning, facilitating the effective allocation and use of resources and improving operational effectiveness and efficiency.

The existence of a considered risk management framework improves stakeholder confidence and trust that Council is operating as an effective and well managed organisation.

Documented risk management processes will assist Council in withstanding internal and external scrutiny of decisions and actions.

To be most effective, risk management should become part of an organisation's culture. It should be embedded into the organisation's philosophy, practices and business processes rather than be viewed or practiced as a separate activity.

#### **4. Discussion**

It is good practice of an organisation to have a formal risk management framework that it reviews on a regular basis. Council has a risk management framework that was adopted in April 2016.

This framework has been implemented across the organisation successfully over the last four years and is now due for review to ensure that we are in line with best practice. Given recent global events a review of both the Risk Management Framework, and Council's risk appetite, is timely.

The decisions made, and direction set over the next few months will impact on long term planning and must be considered appropriately. Given the current environment Council has an opportunity to reset it's risk approach and appetite, ensuring that a risk lens is used for important strategic decisions.

Under the current risk management framework risks are detailed by type, category, frequency and consequence. All of these attributes need to be reviewed to ensure that they are appropriate for the current Council.

The risk management framework will also be updated to reflect the recent Council discussions on the strategic response to COVID-19, and other known and unknown risks (such as changes to the environment and climate change). In addition, a risk lens will be applied to decisions and activities underpinning the COVID-19 reset.

There is an opportunity, given the recent appointment of John Isles, to use the independent Chair of the Risk and Audit Committee to facilitate a review of Council's risk management framework and appetite.

This would involve the Risk and Audit Chair initially working with staff to review the attributes and themes in the risk management framework. We then propose to have a workshop with Elected Members to review, and provide direction for, Council's risk management framework and appetite for the next three years.

#### **5. Significance and engagement**

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

#### **6. Attachment**

1. ADOPTED Risk Management Framework



# Risk Management Framework

**Adopted 27 April 2016**

Note that this Framework is evolving as Council moves through organisation-level identification, assessment and treatment of risk. Group and Department managers will be continually asked to identify, assess and treat risk in their own areas so that we end up with a cascading overall risk profile. Risks will be captured according to the Risk Escalation and Reporting Matrix detailed in appendix 4, and monitored quarterly using the Integrated Risk Management (IRM) module of CAMMS, a web application.

This document is updated regularly as we progress. Printed copies of this document are therefore uncontrolled.

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## SECTION ONE - INTRODUCTION

### 1. Purpose

The Whangarei District Council (WDC) is committed to providing the highest standard of risk management to enable informed decision making and meet the principles outlined in the Policy. This framework will guide the application of risk management within WDC and its CCOs to ensure risks are managed in an ongoing and proactive manner using a cohesive and structured approach. This Framework outlines the organisational process for risk management.

In this document “risk management” refers to the culture, processes and structures that are directed towards the effective and efficient management of potential threats and opportunities at all levels of the organisation. It aims to optimise the balance between risk and control. Risk management is recognised as an integral part of good management practice and is an important aspect of corporate governance.

### 2. Policy Statement

The Whangarei District Council will accept and tolerate risk according to their risk appetite, as discussed in section 8.3, to the extent that it can achieve its objectives.

Council recognises that it is prudent to systematically manage and regularly review its risk profile at a strategic/organisation-wide, activity/departmental and project level. Council is doing this by refreshing its risk management framework and process to redefine the management practices required to adequately control risk across all levels of the organisation in a consistent and effective manner.

Council's risk management framework is consistent with the AS/NZS ISO 31000 Risk Management Principles and Guidelines. These standards are considered to be best practice and are a foundation of similar processes for many local government entities across the country.

### 3. Objectives

Council seeks to identify all key risks that could impact on the viability of its responsibilities and operations and has contingencies in place to avoid, minimise, mitigate and/or accept risks within its sphere of control or influence. This will be achieved through:

- The Whangarei District Council having an up to date and comprehensive understanding of its risks;
- Risk ownership being evident; and
- Council's risks actively managed, monitored and (if possible) treated.

### 4. Risk Management within WDC

#### 4.1. Definitions

Using common terminology will make understanding concepts around risk much easier. Below is a short list of key terms used in this RMF but [Appendix One](#) contains a detailed list:

- **Risk:** The effect of uncertainty on objectives. An effect is a deviation from the expected – positive or negative.
- **Risk Assessment:** The overall process of risk identification, risk analysis and risk evaluation.
- **Risk Management:** The culture, process and structures that are directed towards realising potential opportunities whilst managing adverse effects.
- **Risk Management Framework:** The set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout WDC.

- **Risk Management Process:** Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing and evaluating, treating and monitoring and reviewing risk.
- **Risk Owner:** The person or entity with the accountability and authority to manage a risk.
- **Risk Register:** Record of information about identified risks.
- **Control:** Measures that modify the risk.
- **Risk Appetite:** The amount and type of risk that Council is prepared to pursue, retain or tolerate in pursuit of its objectives

#### 4.2. What is Risk Management and why does it matter?

Risk management is the process of identifying the risks, whether strategic or operational, which may impact the extent to which WDC will achieve or exceed its objectives, determining the consequence and probability, and establishing a plan to manage the risks to an acceptable level. The proactive management of risks increases the likelihood of WDC achieving its objectives.

There are many sources of risk to an organisation, some representing hazards while others are opportunities. Risk management involves managing risk to achieve an appropriate balance between realising opportunities for gains while minimising losses. It is an iterative process consisting of steps that, when undertaken in sequence, enable continuous improvements in decision making and facilitates continuous improvements in performance.

The consistent evaluation of risk across WDC can provide a reliable source of information for decision-making and planning, facilitating the effective allocation and use of resources and improving operational effectiveness and efficiency.

The existence of a robust Risk Management Framework improves stakeholder confidence and trust that WDC is operating as an effective and well managed organisation. Documented risk management processes and consideration will assist WDC in withstanding internal and external scrutiny of decisions and actions.

To be most effective, risk management should become part of an organisation's culture. It should be embedded into the organisation's philosophy, practices and business processes rather than be viewed or practiced as a separate activity.

[Appendix Two](#) contains an extract from the Standard which sets out the relationship between risk management principles including the benefits, the establishment and maintenance of the risk framework and the risk management process.

#### 4.3. WDC's Risk Management commitment

An effective risk management policy is essential for WDC to achieve its objectives. WDC faces a range of risks that are inherent to the council activities undertaken. WDC stakeholders including ratepayers, customers, personnel and suppliers require assurance that WDC will manage the risk exposures so that its objectives are achieved. Senior management and staff must be able to demonstrate that all reasonable steps have been taken to properly manage WDC's risks.

Governance of WDC lies with Council. Council has delegated management of WDC's risk management programme to the Audit and Risk Committee (ARC), a sub-committee of Council. Policy execution is the responsibility of the Chief Executive, the Leadership team and Department Managers. Senior management assign risk treatments to the most appropriate person within each business unit so that risks are managed at line level and at the point where the greatest risk mitigation can be achieved for the most cost effective effort.

In order to ensure that risk management is recognised and treated as a core competency, WDC has implemented a council wide framework for the management of risk. The Audit and Risk Analyst is responsible for administering this framework and for co-ordinating WDC's effort to ensure risk management activity achieves appropriate focus.

The following principles reflect WDC's commitment to effective risk management:

- Delivering opportunities by managing risk as a key part of all WDC's activities.
- In all WDC's activities, risk should be understood and visible.
- Risk will be managed consistent with organisational values.
- Risk will be managed to meet all legal and regulatory requirements as a minimum.
- Approaches to managing risk will be simple, flexible and sustained.

#### **4.4. Risk Management culture**

An effective risk management culture is essential for Council to ensure it is adequately addressing its risks and obligations and is in a position to achieve its objectives. Ensuring ratepayer value comes from creating opportunities and managing risks.

Council and LT are committed to ensuring that all reasonable measures are taken to maintain a responsible risk management environment through which obligations and stakeholder commitments are fully met.

In order for risk management to be effective, staff at all levels of the organisation must understand their responsibilities and maintain the standards of this framework.

This risk management framework is based on a consultative team approach to facilitate best practice risk management throughout WDC. This will help bring different areas of expertise together to analyse risks, ensure different views are appropriately considered in evaluating risks and for appropriate change management practices to be applied during risk treatment. Involvement also allows the "ownership" of risk by managers and the engagement of stakeholders. It allows them to appreciate the benefits of particular controls and the need to endorse and support a treatment plan.

In a practical sense a risk management culture seeks to combine effective implementation, whereby risk management forms part of the process of doing business, with informed reporting, and regular monitoring of risk.

#### **4.5. Risk Management Principles**

WDC has implemented an enterprise wide risk management framework, the principles of which are aligned with the 11 principles of AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines. The 11 principles and how WDC has adopted these are outlined in the [Appendix Three](#).

### **5. Scope**

The WDC risk management process incorporates risk at all levels of the organisation - the five Groups, departments, strategies, activity management plans and projects. Council sees risk management as a governance priority and therefore involves all senior staff (Leadership Team, Department Managers and Team Leaders) and Councillors, with overall co-ordination from within the Governance Department.

Although the day to day identification and management of risk lies with management positions within the organisational structure, the Governance Department will continue to manage the continuous improvement of the process to ensure the quality and effectiveness of risk-related efforts.

### **6. Integration with Organisational Processes**

Risk management is not an isolated management practice, nor a yearly compliance task. To be truly effective, risk management must be integral to business as usual. The risk management framework therefore focuses on pro-active monitoring and treatment of risk with strong accountability. In order to facilitate this, risk management is an integral part of WDC's activity as follows:

## **Planning Process**

Material risks and issues, which could impact the achievement of business plans both at a strategic and operational level, will be identified as part of the annual business planning cycle. WDC's strategic risk assessment will also be annually refreshed so that the outputs can be addressed during the business planning cycle.

## **Business Operations**

Each business unit is responsible for risk management planning as part of their planning process and responsible for risk management monitoring and reporting as part of their day-to-day operations. The operations are required to establish the risk treatment and identify the person accountable for implementation.

Risks may be identified in a variety of ways and it is the responsibility of all council staff to log a risk as soon as they become aware of it.

Leadership teams monitor the operational risk register on a monthly basis and conduct risk workshops on a quarterly basis.

## **Decision making**

All advice and key organisational decisions are to incorporate and reflect an objective assessment of the key risks and opportunities that might arise in relation to each option put forward as part of the analysis.

## **Integrated risk management and internal audit**

An integrated approach to risk management and internal audit provides transparency as to the level of reliance that can be placed on the control environment for risk management purposes and can also monitor the degree of application of the risk framework.

The internal audit programme, which is set and approved by the Audit and Risk Committee prior to the beginning of each financial year, will amongst other things use outputs from the risk management process to identify key areas of concern. This will include evaluating the robustness of controls relied upon to mitigate key risks and monitoring progress with previous internal audit findings managed in the risk register.

## **Program and Project Delivery**

A project risk register will be maintained by the project manager to monitor the risks impacting program / project delivery.

Incorporated into preparation of the business case, a risk assessment will be conducted by the project manager for new projects against WDC's enterprise risk rating matrix to ascertain whether the program/ project risks are of sufficient magnitude to warrant registering in the risk register and monitoring through WDC's risk management framework. For substantive projects the delivery of which could have significant impact on the organisation a separate risk report may be prepared.

## **Safety based decision making**

Business unit annual plans and maintenance plans outline the strategies for maintaining the infrastructure at a safe level to meet the customer service delivery requirements. WDC has plans for managing assets and safety matching their service potential to customer requirements and priorities. WDC achieves this by prioritizing according to safety needs including assessing and treating safety risks followed by market needs.

## **7. Accountability for Risk Management**

Council staff who have management responsibility (Group, Department, Activity/Asset, Team, Project) will eventually be involved in risk management and should be aware of their responsibilities in identifying and managing risk. Key responsibilities are noted below.

Role	Accountability
Council	<p>Council will:</p> <ul style="list-style-type: none"> <li>• ensure an appropriate risk governance structure is in place;</li> <li>• support the Risk Management Framework including risk management as an element of Council's Long Term Plan and Annual Plans as well as other strategies, plans and documents;</li> <li>• be responsible for setting risk appetite</li> </ul>
Audit & Risk Committee	<p>The Audit and Risk Committee will deliver on its mandate as outlined in its delegations including acting in a risk monitoring advisory and improver role for Council. The Audit and Risk Committee should support the overall risk management process by:</p> <ul style="list-style-type: none"> <li>• ensuring Council has appropriate risk management and internal controls in place;</li> <li>• approving and review risk management programmes and risk treatment options for critical risks;</li> <li>• being responsible for making recommendations to Council for setting risk appetite;</li> <li>• providing guidance and governance to support significant and/or high profile elements of the risk management spectrum.</li> </ul>
Chief Executive	<p>The Chief Executive is responsible for:</p> <ul style="list-style-type: none"> <li>• nominating a risk management sponsor;</li> <li>• reporting critical and high risks to the Audit and Risk Committee and/or Council with treatment options;</li> <li>• oversight of the risk management process;</li> <li>• promotion of a risk aware culture within Council through the risk management programme;</li> <li>• providing direction and advice on the management of risks within Council and ensuring that appropriate treatment measures are in place to mitigate Council exposure;</li> <li>• promoting a culture of risk management and ensuring strategic, comprehensive and systematic risk management programmes operate throughout Council;</li> <li>• ensuring that Council's organisation vision and values (relevant to risk) are aligned and synchronised with the strategic direction (including Community outcomes and budgetary considerations) and culture;</li> <li>• ensuring that risk management is considered in everything Council undertakes and is incorporated in the messages given to the organisation;</li> <li>• supporting the Audit and Risk Committee in delivering its duties; and</li> <li>• supporting the internal audit process</li> </ul>
Group Managers	<p>Leadership Team are responsible within their Business Units for:</p> <ul style="list-style-type: none"> <li>• maintaining the overall responsibility for the effective and efficient management of all types of risks related to Council activities and delivery of the Risk Management Framework and objectives;</li> <li>• promotion of a risk management culture;</li> <li>• communicate and raise awareness of risk management to Council managers and staff;</li> <li>• identify, manage, and monitor risks in their Groups;</li> <li>• assisting in setting Council's risk attitude;</li> <li>• ensuring that Council's assets and operations, together with liability risks and hazards to the public, are adequately protected through appropriate risk planning and budgeting, internal audit processes, and appropriate internal systems and controls;</li> </ul>

Role	Accountability
	<ul style="list-style-type: none"> <li>• ensure that risk management is in place and reviewed as required and at least annually for all risks for timely updating and continuous improvement;</li> <li>• ensuring legislative and governance requirements and obligations are met; and</li> <li>• integration of risk management with Councils policies, process and practices.</li> </ul>
Department Managers and Team Leaders	<p>All Department Managers and Team Leaders will be responsible for:</p> <ul style="list-style-type: none"> <li>• the registration and maintenance of risks in the risk register pertaining to their Divisions and at a Council-wide level as required and appropriate;</li> <li>• managing activity/project/asset risks;</li> <li>• on-going identification and assessment of risk including appropriate responses;</li> <li>• management of the relevant risks as delegated within the agreed acceptable risk tolerance levels;</li> <li>• support and assistance to the Audit and Risk Analyst in the delivery of all duties and responsibilities;</li> <li>• ensuring the effectiveness of risk controls;</li> <li>• ensuring risk management and process are embedded in strategies, policies, business plans, contracts, and standard operating procedures; and</li> <li>• proactively implementation of best practice in all facets of business including asset management planning, emergency management planning, and disaster and recovery plans</li> </ul>
Asset Managers	<ul style="list-style-type: none"> <li>• The management of risks that may affect the delivery, operational capacity or reputation of their activity. To support this responsibility, all asset managers are required to ensure: <ul style="list-style-type: none"> <li>○ That their activity's risks are managed in accordance with the risk management framework;</li> <li>○ Control and treatment plans form an integral part of their planning and AMPs;</li> <li>○ That risk management plans required by third parties (e.g. drinking water risk management plans) are current;</li> <li>○ That all relevant staff are aware of and comply with the risk assessment, control procedures and treatment plans.</li> </ul> </li> </ul>
Project Steering Teams	<ul style="list-style-type: none"> <li>• The management of risks that may affect the delivery of the project: <ul style="list-style-type: none"> <li>○ Project risks are managed in accordance with the risk management framework;</li> <li>○ Control and treatment plans form an integral part of project planning and execution and those plans are approved by the steering team (and LT if necessary);</li> <li>○ That all relevant project staff are aware of and comply with the risk assessment, control procedures and treatment plans.</li> </ul> </li> </ul>
Project Managers	<ul style="list-style-type: none"> <li>• The identification and assessment of risks that may affect the delivery of the project: <ul style="list-style-type: none"> <li>○ Steering teams have full visibility of the complete risk profile of the project through regular reporting to the steering team.</li> </ul> </li> </ul>
Specialist roles	<p>Engineering and IT staff, inclusive of contractors (i.e. OPUS and ), employed in specialists roles that may affect the impact of the council's reputational risk during delivery of their activities are required to ensure the:</p> <ul style="list-style-type: none"> <li>• the acceptance, recording and maintenance of their relevant risks in the risk</li> </ul>



Role	Accountability
	register pertaining to their activities as required and appropriate; • managing activity/project/asset risks; and • on-going identification and assessment of risk including appropriate responses.
Audit and Risk Analyst	The Audit and Risk Analyst will: • coordinate the risk management process; • assist with the development and maintenance of the risk register; • report critical and high risks to the ARC and LT with treatment plans; • plan, and execute reviews and audits of the risk register; • measure and report the effectiveness and adequacy of risk management and internal control processes and systems, and report to the ARC and LT; • assist with the education of staff on risk management; • provide technical assistance on risk management; and • facilitate the management of cross-organisational risks
All staff	All staff will: • have awareness of the risk management framework; and • identify, monitor and report issues and potential risks as they occur.

## 8. Risk Management Reporting

Risks will be captured on the WDC standard risk register. This will be owned and maintained by each department and be subject to review by Audit and Risk Analyst.

WDC has a legal and custodianship obligation to manage risks. Departmental reporting will include top current risks and emerging risks that could have a future influence on WDC. These risks will be consolidated into WDC-wide summary on a quarterly basis and be included in Risk and Assurance's quarterly report to the ARC.

WDC is committed to the principle of continuous improvement. A proactive approach to monitoring, reviewing and continuously improving risk management practices has been assigned in Risk Management Accountability, section 7. An annual risk management performance review will provide a basis for ongoing improvements to the risk management framework and process with a particular focus on improvement over time.

### 8.1 Centralised Risk Database

A centralised database to facilitate accurate, timely, consistent and traceable risk information will be maintained. The Department Managers and Team Leaders will be responsible for maintaining the integrity of their information including reflecting the current status of risk treatment plans and actions, with support and oversight provided by the Audit and Risk Analyst. The structure of the database will facilitate reporting to enable regular monitoring of risk. The risk register stores all risks and issues, irrespective of their risk rating, as this represents WDC's risk profile.

### 8.2 Risk Identification and Logging

WDC staff are expected to manage risk as a part of their daily activity. All staff are tasked with identifying and escalating new risks according to the risk management process described where after it will be entered and maintained in the risk register (IRM) by the Audit and Risk Analyst, or delegate as required.

All risks will be logged into IRM to enable relevant information to be captured and forwarded to the relevant manager for evaluation and approval of any acceptance, avoidance, transfer and mitigation actions. If necessary, the relevant LT member will escalate the risk to CE and/or

Councillors for discussion. Further rework by the risk owner may be required. If the risk relates to a project, approval is carried out by the project sponsor.

### 8.3 Risk Appetite and Tolerance

Risk appetite is 'the amount of risk that WDC is prepared to take in pursuit of its objectives' whilst risk tolerance is 'the amount of loss WDC is willing to bear should a risk materialise'. Key expectations with respect to risk appetite and tolerance are that:

- LT and the ARC will provide guidance regarding organisational risk appetite and tolerance levels.
- Risk appetite and risk tolerance will be considered in respect of each risk that is assessed.
- WDC expects management to *escalate risks* to the LT with an appropriate risk mitigation plan that lowers the level / class of risk exposure. Risk tolerance will be determined through this process.

The risk matrix provides guidance to the assessment of risks from an organisation wide perspective. The risk appetite for the organisation as a whole may be higher or lower than that of a business unit/project.

### 8.4 Risk Reporting and Monitoring

Risks are reported on a regular basis as indicated in [Appendix Four](#).

Departmental and escalated project risks are to be monitored and reported on a monthly basis. Project risk is to be monitored on an ongoing basis with reporting to the project sponsor at least monthly (alternative timing may be determined) through project status reports. This is the responsibility of the project manager.

Organisation-wide risk is to be reviewed by the LT on a quarterly basis prior to reporting to the ARC.

The Audit and Risk Analyst maintains responsibility for issuing a summary report monthly to all LT members following a general review to ensure that:

- Progress against action items is satisfactory;
- Relevant documentation has been maintained and is available in IRM;
- All new organisational risks have been entered into IRM; and
- Any obsolete risks have been updated accordingly.

On-going monitoring and reporting provides assurance that the risk management framework is effective by:

- Ensuring relevant information derived from the application of risk management across the organisation is available to appropriate levels at specified times in agreed formats
- Focusing attention on risk management at regular intervals over and above day to day work priorities;
- Ensuring risks are maintained and the information is relevant and current; and
- Providing documented evidence (should it ever be required) of the way risks are managed within WDC.

### Monthly Leadership meetings

The risk assessment process produces important management information which can assist in prioritising workflows and managing actions on a timely basis. Each month the risk register should be reviewed by the leadership teams to enable an integrated approach to managing risk within the day to day operations. Management is also required to flow relevant risk information through to their teams on a regular basis.

### **Quarterly Risk Workshops**

Each quarter prior to the Audit and Risk Committee Meeting, the Audit and Risk Analyst facilitates workshops with the Group Managers to discuss and review existing risks, and to document any new or emerging risks. The Group Manager delegate collates the information needed to update IRM for reporting purposes.

The workshops also serve to continue to embed a risk management culture within Council by providing a forum in which risks can be openly debated, best practice risk management knowledge can be shared and any training or development opportunities are identified.

### **Quarterly Audit and Risk Committee Reporting**

A quarterly report is prepared for the Audit and Risk Committee by the Audit and Risk Analyst providing:

- an update on the risk management framework and how it is being embedded into WDC.
- on a rotational basis the report includes a comprehensive review of 1 or 2 of the key strategic risks facing the organisation. This is complemented in the meeting by the presence of the relevant treatment owner(s)
- operational risks that are rated as 'critical' or 'high' are reported by business unit
- statistical risk data as required.

### **Annual Strategic Risk Review**

An annual review of the strategic risks to achievement of the organisation's objectives, as articulated in the LTP and other strategic documents, is undertaken in conjunction with the Leadership Team. The strategic risk review includes an updated SWOT analysis. A strategic risk report is submitted to Council.

## SECTION TWO – RISK MANAGEMENT PROCESS

### 1. Introduction

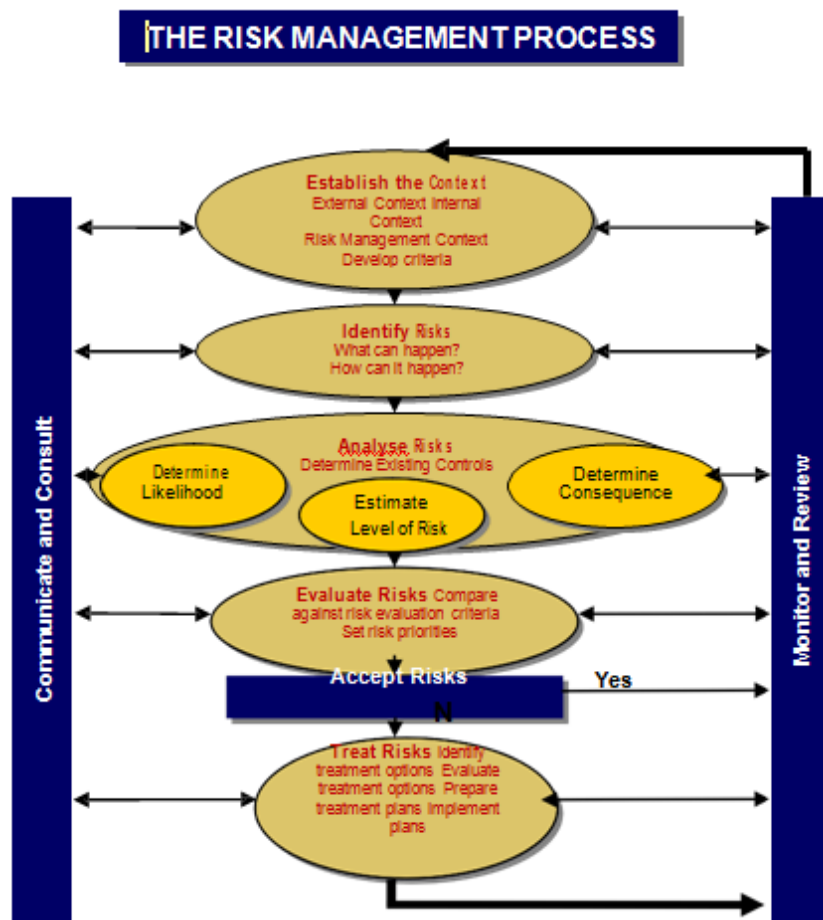
To achieve the benefits of risk management, WDC has adopted the Joint Australian New Zealand International Standard: Risk Management – Principles and Guidelines (AS/NZS ISO 31000:2009) - an integrated risk management approach that provides a systematic and consistent methodology to risk identification, assessment and treatment as reflected in the risk management process.

The top risks across WDC will be monitored monthly with key risk exposures, issues and trends being the focus. Risks relating to strategic, operational and projects will be included. The reporting will comment on the risks, mitigations and the resources committed to mitigating the risks.

For the Risk Management process to be efficient and effective within Council, it must be:

- an integral part of management;
- embedded in the culture and practices; and
- tailored to the business planning and processes of the organisation

Risk management is the process by which risks are identified and analysed, and treatments put in place to reduce the severity (likelihood and / or consequence) of the risk. The process comprises seven steps as recommended by ISO AS/NZS 3100.2009. The steps are detailed in the flowchart below:



## Step 1: Establishing the Context

The establishment of the context is an integral element within the process of risk management as it establishes and defines the various environments in which risk is to be considered, assessed and managed.

The level of contextual relevance should be considered on;

- an external context - which is the extent to which Council's external environment will impact on its ability to achieve its corporate objectives;
- an internal context – which is about understanding the internal operating environment;
- the context of the risk management process – establishment of the objectives, strategies, scope;
- defining the risk criteria – the organisation should define criteria to be used to evaluate the significance of risk.

## Step 2: Identify Risks

Risk identification is a key step to ensure that the risk exposures which Council may be subject to are recorded. This sets the foundation for the establishment of effective and efficient risk mitigation, control and review.

Good risk identification includes:

- Having a deep understanding of the strategic and operational objectives of the business unit, including the key success factors and threats;
- Analysis of the functions within the business unit to identify the key risks that flow from the business activities; and
- Analysis of how the business unit risk could potentially flow through to other parts of the business.

There are many types of risk that may impact Council that should be considered when identifying risks. Of particular note are:

Risk Type	High Level Definition
<b><i>Strategic Risk</i></b>	A major challenge to delivering the outcomes required from the organisation's key objectives as detailed in the Council's Long Term Plan
<b><i>Operational Risk</i></b>	<p>Challenges to delivering operations or services required to support the key outcomes.</p> <p>The risk of loss occurring as a result of weak or ineffective internal controls and processes.</p> <p>This also captures business continuity planning, internal or external fraud, project management, outsourcing and inadequate people management processes.</p>

Risk Type	High Level Definition
<b><i>Health and Safety Risk</i></b>	<p>The risk of any injury, whether lost time, serious harm or a fatality, directly attributable to organisational, mechanical or infrastructural failure.</p> <p>Health and safety hazards are logged direct into the Tech One Health and Safety programme, where an initial risk appraisal is undertaken using likelihood, consequences and probability as if no controls were in place.</p> <p>Once controls are in place, a residual risk score is then included. For further information, reference the "Workplace Hazard &amp; Risk Management Policy (TRIM POLICY-0104).</p>
<b><i>Compliance Risk</i></b>	<p>The risk of non-compliance with laws, regulations resulting in enforceable undertakings, fines / penalties.</p>

All risks must be linked to Council outcomes, strategies and plans and form part of Council's overall vision for the district, sphere of responsibility and/ or influence.

The key elements of Council's risk identification processes are:

- risk assessments undertaken within individual departments and teams including asset management planning, activity planning, contract management, legislative compliance, occupational health and safety, human resources, professional advice; security, financial management, reputational exposure, management reporting, records management, information technology, and systems;
- the liability risk assessments undertaken by Council's public liability insurer;
- legislative, regulatory and /or industry information obtained from various sources;
- feedback received from the communication and consultation process both from external and internal stakeholders;
- employees and members of the public are also encouraged to report potential risk exposures.

Each risk identified will be entered and maintained in the risk register (IRM) by the Audit and Risk Analyst or delegate as required. All staff are tasked with identifying and escalating new risks according to the risk management process using the risk logging form in [Appendix Five](#).

### **Step 3: Risk Assessment**

Risk analysis aims at understanding the level of significance of a risk and ways to control and/or mitigate it.

A full accurate and objective assessment of any identified risk must be undertaken to:

- determine existing controls;
- determine the risk likelihood (Table 1 listed below);
- determine the consequence of the risk (Table 2 listed below);
- establish the risk rating.

An assessment of risk should be carried out three times during the life of the risk:

- Stage 1:  
Inherent risk - the risk exposure **prior** to management controls being put in place;
- Stage 2:  
Managed risk – the risk exposure with the current level of management controls;
- Stage 3:

Residual risk – the risk exposure **after** management controls being put in place when no further controls are required and the level of risk is tolerable. The acceptance of residual risk is dependent on Council's agreed risk appetite and cost-benefit analysis of options.

**Table 1:**

<i>Determine the likelihood using the ratings below</i>		
	<b>General description</b>	<b>Frequency expression</b>
<b>5</b> Almost Certain	Risk event expected to occur in most circumstances.	90% chance within next 12 months; or 18 out of every 20 years
<b>4</b> Likely	Risk event will probably occur in most circumstances.	55% chance within next 12 months; or 11 out of every 20 years
<b>3</b> Possible	Risk event should occur at some time.	25% chance within next 12 months; or 5 out of every 20 years
<b>2</b> Unlikely	Risk event could occur at some time.	10% chance within next 12 months; or 1 out of every 10 years
<b>1</b> Rare	Risk event may occur only in exceptional circumstances.	Up to 4% chance within next 12 months; or once in 25 years

**Table 2:**

<i>Determine the consequence using the ratings Insignificant, Minor, Moderate, Major and Critical</i>					
	<b>CONSEQUENCE</b>				
<b>Category of Impact</b>	<b>1 Insignificant<sup>1</sup></b>	<b>2 Minor</b>	<b>3 Moderate</b>	<b>4 Major</b>	<b>5 Catastrophic</b>
Council Reputation/ Corporate Image	Of interest to individuals	Minor community interest, low key local media coverage	Public /community discussion, broad adverse media coverage	Loss of confidence in Council. National publicity. Public agitation for action.	Public investigation, international media coverage, management changes demanded, insertion of commissioner(s).
Environmental	Aesthetic issue only, no damage or contamination	Minor damage with on-site release and immediately contained.  Reversible within days.	Material damage of local importance.  Prosecution possible. On-site release contained with outside assistance and impact reversible within 1 year.	Serious damage of national importance.  Prosecution expected. Off-site release with significant detrimental effects and impact reversible within 5 years.	Severe damage of national importance.  Prosecution. Toxic release off-site with major detrimental effect; non-reversible.
Health & Safety	Negligible injury (first aid response only)	Minor injury (medical treatment required)	Serious injury or potential injuries (near miss)	Fatality	More than 3 fatalities or district-wide epidemic

<sup>1</sup>While understanding that the Consequence descriptors used differs according to each person's perception, the wording used in this document is reflective of the international standard wording it is based on similarly to other Council's documentation

<b>Determine the consequence using the ratings Insignificant, Minor, Moderate, Major and Critical</b>					
<b>Category of Impact</b>	<b>CONSEQUENCE</b>				
	<b>1 Insignificant<sup>1</sup></b>	<b>2 Minor</b>	<b>3 Moderate</b>	<b>4 Major</b>	<b>5 Catastrophic</b>
Council Third Party Loss	Council liability < \$10,000	Council liability >\$10,000 <\$100,000	Council liability >\$100,000 <\$250,000 Complaint to the Ombudsman or other statutory offices.	Council liability >\$250,000 <\$1,000,000. Legislative non compliance involving the prosecution or the potential for a fine or a significant criticism of Council by Judiciary or Ombudsman. Adverse ruling by the Ombudsman or other statutory officer with power to investigate or make rulings.	Council liability >\$1,000,000 Legislative non compliance involving the potential for imprisonment of a Councillor or Senior Officer. Judicial review of a Council decision on a matter relating to funding or rates.
Operational capability of Council	No loss of operational capability and/or minimal disruption to service levels Access affected Minimal loss of internal capacity.	Loss of operational capability in some areas and/or some disruption to service levels Local roads impassable Loss of internal capacity up to 1 week	Serious loss of operational capability for over 6 weeks and /or disruption to service levels for 4-6 weeks Collector roads impassable Loss of internal capacity 1-3 weeks	Serious loss of operational capability for over 8 weeks and major disruption to service levels Major roads impassable Loss of internal capacity 4-6 weeks	Serious loss of operational capability for 3 - 4 months and serious disruption to service levels Loss of internal capacity >6 weeks
Council Financial loss	No impact on achievement of output targets, business can continue as normal. Localised failure only. Financial loss <1% operating budget.	Up to 1% impact on targets Limited to a single business area of the organisation Financial loss 1-3% operating budget.	Up to 5% impact on targets Financial loss 3-6% operating budget	Up to 10% impact on targets. Financial loss 6-10% operating budget. Impact to multiple and diverse areas of the organisation.	Greater than 10% impact on achievement of key performance targets. Financial loss >10% of operating budget.
Council Project completion delays	Total delay less than 6 months.	Total delay between 6 and 12 months.	Total delay between 1 and 3 years.	Total delay between 3 and 5 years.	Total delay more than 5 years.



The thresholds for each consequence will be determined by risk appetite.

#### Step 4: Risk evaluation

After the likelihood and consequence factors have been determined, the level of risk is calculated by multiplying the Probability/Likelihood of the risk occurring (Table 1 listed above) with the Consequence or Impact Levels (Table 2 listed above). The final outcome is the risk rating (Table 3 listed below).

**Table 3:**

<i>Determine the current level of risk using the Risk matrix below</i>					
	CONSEQUENCE or IMPACT				
LIKELIHOOD	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
5 Almost Certain	H	H	C	C	C
4 Likely	M	H	H	C	C
3 Possible	L	M	H	C	C
2 Unlikely	L	L	M	H	C
1 Rare	L	L	M	H	H
	Level 4	Critical risk	Intolerable - active management by operational leaders		
	Level 3	High risk	Intolerable – active management by operational leaders		
	Level 2	Medium risk	Tolerate if the cost of risk elimination, transfer or reduction is greater than the improvement gained		
	Level 1	Low risk	Tolerate if risk is managed by routine procedures		

- Determine the inherent risk level without any action (as it is now, assuming nothing was done to prevent it). Unacceptable, high, medium, low.
- Document whether or not the risk can be prevented from occurring. If **YES**, document potential preventive actions. If **NO**, document mitigation actions if there are any. Identify who will be responsible for these actions.
- Given the result of (a), assess the best way for the organisation to deal with the risk – avoid, accept, transfer, mitigate

Submit all risk documentation to the relevant manager for approval of any acceptance, avoidance, transfer and mitigation actions. If necessary, the applicable LT member will escalate the risk to CE and/or Councillors for discussion. Further rework by the risk owner may be required. If the risk relates to a project, approval is carried out by the project sponsor.

The results of the risk evaluation will determine in the first instance the risk management strategies that will be required to be tailored to the risk profile. (Refer to [Appendix Four](#)). Once the risk has been assessed according to the relative risk level it poses, it is then possible to target the treatment of the risk exposure.

Group/LT member or manager approval must be secured prior to further action.

Once acceptance, avoidance, transfer and/or mitigation actions have been approved and planned for, assess the residual risk and ensure that the risk register is updated.

### Step 5: Risk Treatment

The treatment of risk is dependent on a number of factors including Council's risk appetite and selection of risk control options.

Risk control options include:

- **Risk avoidance** – avoid the identified risk by deciding not to proceed with the activity likely to generate risk (where this is practicable);
- **Risk transfer** – reducing exposure by transferring the risk to another party e.g. buy specific insurance coverage;
- **Reduce the likelihood** of occurrence through measures such as audit compliance, programmes, contract conditions, preventative maintenance, engineering controls, inspections, process policies and procedures; and
- **Reduce the consequence** through measures such as contingency planning, disaster recovery plans, contractual arrangements, financial management controls and risk minimisation plans.

### Step 6: Monitoring and review

Risks are constantly changing so risk needs to be systematically and periodically monitored and reviewed.

Once risks have been identified, evaluated and treatment plans established, the risks are monitored on an on-going basis to ensure the appropriate actions are being taken within agreed timeframes. The risks should also be constantly re-evaluated to identify any change to the risk exposure, and escalated if required in accordance with the WDC risk appetite

### Step 7: Communication and Consultation

Communication and consultation with internal and external stakeholders should take place during all stages of the risk management process. Communication of risks to stakeholders is a fundamental means of keeping them appraised of WDC's risk exposure.

Communication needs to be timely, relevant and provide enough information to ensure informed decisions can be made.

External stakeholder communication informing and consulting on:

- Council's approach to risk management;
- effectiveness of Council's risk management approach;
- and gathering feedback as appropriate on risk management including risk appetites and fiscal choice.

Internal stakeholder communication including:

- communicating the risk management processes;
- gathering feed-back in relation to risk management and processes;
- ensuring accountability of roles and responsibilities are clearly understood in relation to the risk management process

## Appendix One: Key Risk Management Definitions

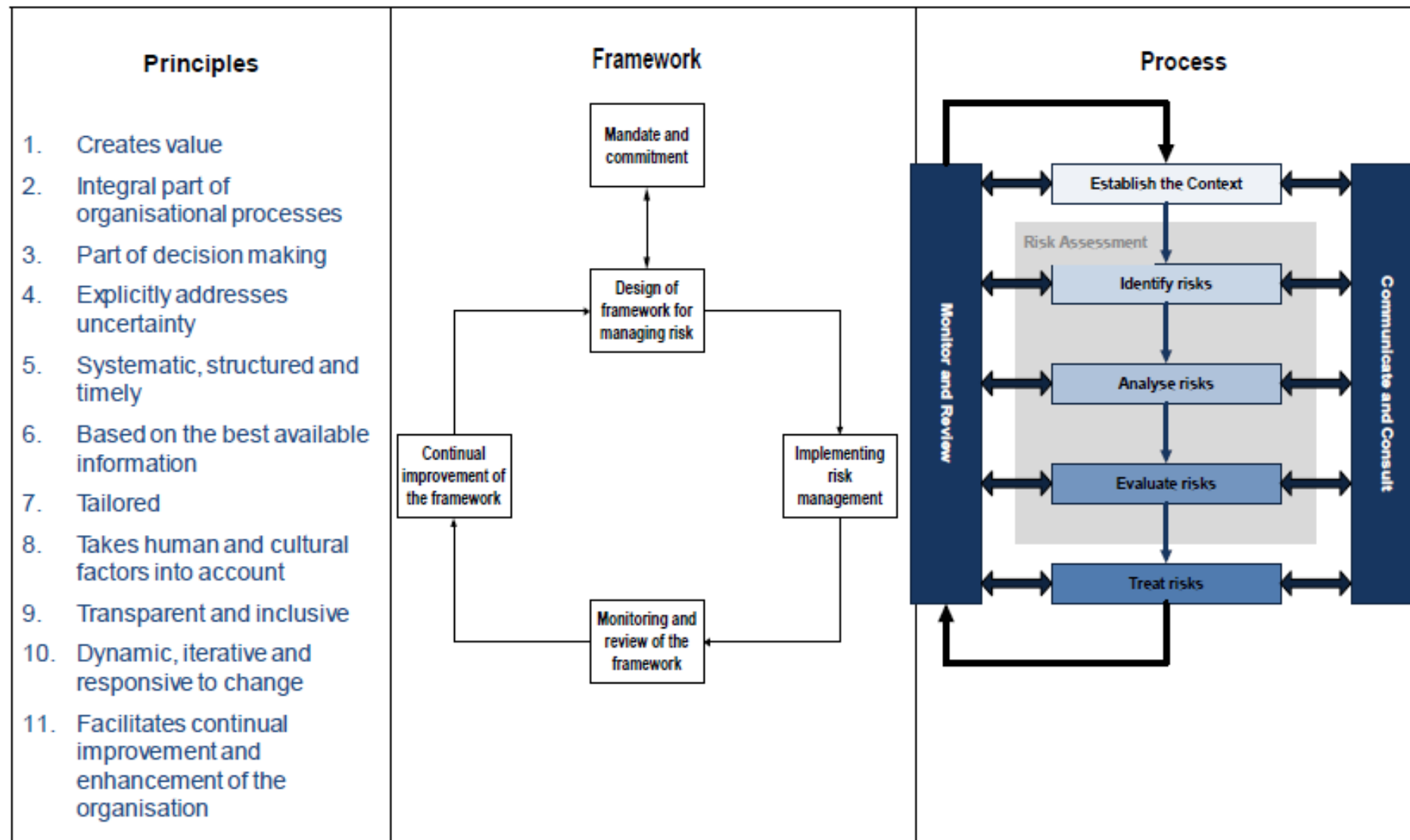
The more commonly used terms are (reference ISO 31000:2009 Risk Management – Principles and Guidelines):

Term	Definition
<b>Cause (Risk Source)</b>	Anything (tangible or intangible) which alone or in combination has the intrinsic potential to give rise to the risk or is already occurring in the case of an issue
<b>Consequence (Impact)</b>	Outcome of an event affecting objectives
<b>Consequence Level</b>	A consequence can range from negligible, minor, moderate, major to catastrophic.
<b>Context</b>	The environment, both internal and external, in which the organisation seeks to achieve its objectives
<b>Control</b>	A measure that modifies the risk including any process, policy, device, practice or other actions.
<b>Current Risk Rating</b>	The level of risk after the application of existing controls but before planned treatments
<b>Event</b>	Occurrence of a particular set of circumstances
<b>Hazard</b>	Source of potential harm
<b>Issue</b>	An event that has occurred and is currently impacting upon objectives
<b>Inherent Risk Rating</b>	The level of risk before any treatment or the application of any existing controls
<b>Likelihood</b>	Chance of something happening
<b>Likelihood Level</b>	Likelihood level can range from rare, unlikely, possible, likely to almost certain
<b>Monitor</b>	Continual checking, supervising, critically observing or determining the status in order to identify any change from the performance level required or expected
<b>Operational Risk</b>	Challenges to delivering operations or services required to support the key outcomes
<b>Target Risk Rating</b>	The remaining level of risk after the application of existing controls and the implementation of risk treatments. WDC takes into account likely factors influencing an achievable rating over a medium term horizon of three years.
<b>Risk</b>	The effect of uncertainty on objectives. An effect is a deviation from the expected – positive or negative
<b>Risk Analysis</b>	A systematic use of available information to determine the magnitude of the consequence of events and their likelihood, to establish the level of risk
<b>Risk Appetite</b>	The amount and type of risk that an organisation is willing to pursue or retain
<b>Risk Assessment</b>	The overall process of risk identification, risk analysis and risk evaluation

<b>Term</b>	<b>Definition</b>
<b>Risk Description</b>	A structured statement of risk usually containing four elements: sources, events, causes and consequences
<b>Risk Evaluation</b>	The process of comparing the results of the risk analysis with risk criteria to determine whether the risk is acceptable or tolerable
<b>Risk Identification</b>	The process of finding, recognizing and describing the risks
<b>Risk Management</b>	The coordinated activities to direct and control an organisation with regard to risk
<b>Risk Management Framework</b>	Set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout Council.
<b>Risk management plan</b>	Scheme within the risk management framework specifying the approach, the management components and the resources to be applied to the management of risk
<b>Risk management policy</b>	Statement of overall intentions and directions of an organisation related to risk management
<b>Risk management process</b>	Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context and identifying, analysing, evaluating, treating, monitoring and reviewing risk
<b>Risk Owner</b>	A person with the accountability and authority to manage a risk
<b>Risk Register</b>	Record of information about identified risks
<b>Risk Tolerance</b>	An organisation or stakeholders readiness to bear the risk after risk treatment in order to achieve its objectives
<b>Risk Treatment</b>	One or more actions which, when completed, will modify the risk
<b>Stakeholder</b>	A person or organisation that can affect, be affected by, or perceive themselves to be affected by a decision or activity
<b>Strategic Risk</b>	A major challenge to delivering the key outcomes required from Council's key objectives

Term	Definition
<b>Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis</b>	<p>A <u>strategic planning</u> method used to evaluate the Strengths, Weaknesses, Opportunities, and Threats involved in a <u>project</u>, <u>program</u> or other <u>business</u> venture. It involves specifying the objective of the business venture, program or project and identifying the internal and external factors that are favourable and unfavourable to achieve that objective.</p> <p>A SWOT analysis must first start with defining a desired end state or objective.</p> <p><b>Strengths:</b> attributes of the person or organisation that is helpful to achieving the objective(s).</p> <p><b>Weaknesses:</b> attributes of the person or organisation that is harmful to achieving the objective(s).</p> <p><b>Opportunities:</b> external conditions that are helpful to achieving the objective(s).</p> <p><b>Threats:</b> external conditions which could do damage to the objective(s).</p>

## Appendix Two: Risk Management Principles, Framework & Processes



## Appendix Three: The 11 Risk Management Principles

ISO Principle	WDC Principle
<b><i>Risk management creates and protects value.</i></b>	Risk management contributes to the demonstrable achievement of objectives and improvement of performance of WDC's activities.
<b><i>Risk management is an integral part of all organisational processes.</i></b>	Risk management is part of the responsibilities of WDC staff and an integral part of all organisational processes, including strategic planning and all project and change management processes. Risk management is not a stand-alone activity that is separate from the main activities and processes of WDC.
<b><i>Risk management is part of decision making.</i></b>	Risk management helps decision makers within WDC make informed choices, prioritise actions and distinguish among alternative courses of action.
<b><i>Risk management explicitly addresses uncertainty.</i></b>	WDC's risk management processes explicitly take account of uncertainty, the nature of that uncertainty, and how it can be addressed.
<b><i>Risk management is systematic, structured and timely.</i></b>	WDC takes a systematic, timely and structured approach to risk management, which in turn contributes to efficient decisions and to consistent, comparable and reliable results.
<b><i>Risk management is based on the best available information.</i></b>	Through a deep understanding of the WDC business, WDC staff involved in the risk management process contributes information from sources such as historical data, experience, stakeholder feedback, observation, forecasts and expert judgement.  Decision makers are also expected to inform themselves of, and should take into account, any limitations of the data or modelling used or the possibility of divergence among experts.
<b><i>Risk management is tailored.</i></b>	The WDC risk management framework has been developed to meet the specific needs of WDC and the relevant environment it operates in through understanding WDC's external and internal context and risk profile.
<b><i>Risk management takes human and cultural factors into account.</i></b>	The WDC risk management framework has been developed in a way which recognises the capabilities, perceptions and intentions of external and internal people that can facilitate or hinder achievement of WDC's objectives.
<b><i>Risk management is transparent and inclusive.</i></b>	The WDC approach to risk management is to establish transparent processes across all levels of the organisation.  Appropriate and timely involvement of stakeholders and, in particular, decision makers at all levels within WDC ensures that risk management remains relevant and up to date.  Involvement also allows stakeholders to be properly represented and to have their views taken into account in determining risk criteria.
<b><i>Risk management is dynamic, iterative and responsive to change.</i></b>	Because risk management continually senses and responds to change, and external and internal events occur which changes the context of risks, WDC has an ongoing focus on the risk management framework to ensure it remains relevant and up to date.
<b><i>Risk management facilitates continual improvement of the organisation.</i></b>	WDC's commitment to a strong risk management culture ensures ongoing growth in decision making and further improves WDC's risk management maturity.

## Appendix Four: WDC's Risk Escalation and Reporting Matrix

Rating	Interpretation	Accountability	Timing	Action Required
<b>CRITICAL</b>	<p>Critical risks are those that jeopardise the achievement of one or more key objectives and threaten the existence of the Council.</p> <p>These demand urgent attention at the most senior level and cannot be accepted as a part of routine operation without CE and Council sanction.</p>	<p>Chair of the ARC followed by the Council</p> <p>Council – Risk acceptance</p> <p>ARC – Risk ownership</p>	<p>Immediately</p> <p>Quarterly, or as required</p>	<ul style="list-style-type: none"> <li>Critical risks are immediately reported through CE to the Chair of the ARC and the Council followed with an action plan within 24 hours.</li> <li>The Chief Executive manages mitigation action plans and reports progress on a monthly basis to the Council, including progress with strategic risks.</li> <li>Risk action plans prepared and risks allocated to a GM.</li> <li>The ARC, as delegated by the Council, monitor progress on a quarterly basis but more frequently if required.</li> <li>Given highest priority in Internal Audit program.</li> </ul>
<b>HIGH</b>	<p>High risks are those that will have a significant impact on the performance of the Group in the short term.</p>	<p>Chair of the ARC</p> <p>ARC – Risk acceptance</p> <p>Chief Executive</p> <p>LT – Risk ownership</p>	<p>Immediately</p> <p>Quarterly, or as required</p>	<ul style="list-style-type: none"> <li>High risks are reported immediately through CE to the Chair of the ARC followed with an action plan within 24 hours</li> <li>The ARC, as delegated by Council, monitor progress on a quarterly basis but more frequently if required.</li> <li>The Chief Executive monitors mitigation action plans and reports progress to Council as required.</li> <li>The relevant GM manages mitigation action plans.</li> <li>Given priority in Internal Audit program.</li> <li>Discussed in detail at quarterly risk workshops with the relevant GM and their team.</li> </ul>
<b>MEDIUM</b>	<p>Medium risks are those that will have a significant impact on the performance of Council in the medium term.</p>	<p>LT– Risk acceptance</p> <p>GM – Risk ownership</p>	<p>Quarterly</p>	<ul style="list-style-type: none"> <li>Escalate to GM within two days</li> <li>Discussed in detail at quarterly risk workshops with the relevant GM and their team.</li> <li>The Department Manager manages mitigation action plans and reports progress on a monthly basis to their GM.</li> </ul>
<b>LOW</b>	<p>Low risks can be expected to form part of routine operations but they will be explicitly assigned to relevant managers/team leaders for action, maintained under review and annually reported upon at department management level.</p>	<p>Department Managers – Risk ownership</p> <p>GM – Risk acceptance</p>	<p>Annually</p>	<ul style="list-style-type: none"> <li>Escalate to relevant manager within one week</li> <li>Department Managers will manage low risks through "business as usual" procedures and monitor for escalation or displacement of risks.</li> </ul>



## Appendix Five: WDC's Risk Logging form

### WDC Risk Logging Form

In accordance with the WDC Risk Management Framework, this form is to be used to record all identified risks, and must be forwarded to the Audit and Risk Analyst as soon as the risk has been accepted.

**RISK OWNER:** *[Who has overall responsibility for managing this risk?]*

<b>RISK DESCRIPTION</b>	<i>[Provide a brief description of what the risk is to WDC]</i>
<b>CAUSE OF RISK</b>	<i>[Describe what event could occur which would expose WDC to a risk / opportunity]</i>
<b>CONSEQUENCE / IMPACT</b> <i>(refer WDC risk rating matrix)</i>	Insignificant / Minor / Moderate / Major / Catastrophic ← <i>[Highlight one]</i> <i>[Describe the impact, noting any particular teams / departments impacted.]</i>
<b>LIKELIHOOD</b> <i>(refer WDC risk rating)</i>	Rare / Unlikely / Possible / Likely / Almost Certain ← <i>[Highlight one]</i> <i>[Provide some rationale for your decision]</i>
<b>EXISTING CONTROLS</b>	<i>[Describe what processes / policies / controls are currently in place to help manage this risk.]</i>
<b>MITIGATION PLAN</b>	<i>[Describe the high level actions likely to be taken to mitigate the chance of the risk occurring; inclusive of realistic timelines]</i>
<b>GM or CE risk acceptance</b>	Date: _____ Signature _____
<b>IRM capture</b>	Date: _____ Signature _____

## DOCUMENT VERSION CONTROL AND DEVELOPMENT

This document forms part of the overall WDC Risk Management Framework, as endorsed by WDC's Audit and Risk Committee and adopted by Council.

The framework is to be reviewed no less than tri-annually, however it is anticipated that initially it will be updated more regularly as the risk framework evolves. In particular the framework should be updated to include:

- Protocols, yet to be agreed, with respect to managing projects including quantification methodologies to define project risk and assign contingencies
- Protocols, as they evolve, with respect to the outcomes of targeted reviews by risk management and internal audit
- Specifics relating to the centralized risk database once it is selected and implemented
- Changes to reporting requirements
- Direction relating to risk analysis techniques as they evolve
- Protocols, yet to be agreed with HR, relating to risk training
- Protocols, yet to be agreed with HR, relating to safety risks

	Information
<b>Document Owner</b>	Group Manager Support Services
<b>File Name</b>	Risk Management Framework

### Document information

Version	Issue Date	Notes	Author
0.1	02 February 2016	GM-SS Version	Pieter Labuschagne
0.2	11 March 2016	LT Version	Pieter Labuschagne
0.3	31 March 2016	Audit and Risk Committee Version	Pieter Labuschagne
0.4	21 April 2016	Council - Version	Pieter Labuschagne
1.0	27 April 2016	Council adopted version	Pieter Labuschagne

### Distribution List

Name	Position	Department

### Approvals

Name	Position	Date	Signature
Jason Marris	Governance Manager	03 February 2016	
Alan Adcock	Group Manager Support Services	05 February 2016	
Rob Forlong	Chief Executive	14 March 2016	
Audit and Risk Committee	N.A.	31 March 2016	
Whangarei District Council	Council	27 April 2016	Refer to Council meeting minutes

## 6.13 Local Government Funding Agency Documentation Amendments

**Meeting:** Whangarei District Council  
**Date of meeting:** 30 April 2020  
**Reporting officer:** Alan Adcock (General Manager – Corporate/CFO)

### 1 Purpose

To seek approval for the amendment of Local Government Funding Agency (LGFA) agreements.

### 2 Recommendations

That the Council:

1. Receives the New Zealand Local Government Funding Agency Amendments report.
2. Authorises the Council's entry into the documentation noted in this report.
3. Authorises any two of the Council's elected members to execute the following deeds for the purposes of recommendations (b) above:
  - (a) Amendment and Restatement Deed (Multi-issuer Deed);
  - (b) Amendment and Restatement Deed (Notes Subscription Agreement); and
  - (c) Amendment and Restatement Deed (Guarantee and Indemnity).
4. Authorises the Chief Executive to execute the Chief Executive Certificate and such other documents and take such other steps on behalf of Council as the Chief Executive considers it is necessary or desirable to execute or take to give effect to recommendation (b) above.

### 3 Background

The LGFA is a Council-Controlled Organisation (CCO), owned 11.1% by the Government and 88.9% by 30 local authorities. Whangarei District Council has an ownership stake of 3.3% and is both a borrower and a guarantor.

LGFA has proposed amending the borrowing programme by making amendments to certain LGFA documents, including the:

- Multi-issuer Deed;
- Guarantee and Indemnity; and
- Notes Subscription Agreement.

LGFA's Shareholder Agreement has already been amended by LGFA and its shareholders.

The purpose of the proposed amendments is to:

- Enable approved council-controlled organisations (CCOs) to borrow directly through the LGFA borrowing programme (on the basis of guarantees from and/or sufficient uncalled capital issued to their parent local authorities);
- Allow local authorities to apply to LGFA to be tested at the group level rather than at the parent level (for compliance with LGFA covenants)

These changes give effect to approvals made at the last Annual General meeting in relation to direct lending to CCO's (see Attachment 1 for Council's endorsement of these changes).

Further changes are proposed that do not require approval at an Annual General meeting, but do necessitate changes in documentation.

- Increase the amount of borrower notes required to be subscribed for when borrowing from LGFA from 1.6% to 2.5%. These are subordinated convertible debt instruments which each council that borrows from LGFA must subscribe for. Under normal circumstances these Borrower Notes are redeemed at the maturity of the associated debt; and
- Some technical improvements are also being made to the borrowing programme, in particular to allow the provision of committed standby borrowing facilities.

These amendments will ensure that LGFA is positioned to meet New Zealand councils' borrowing needs in the post-COVID19 global financial market environment.

## 4 Discussion

At the LGFA AGM on 21 November 2019 shareholders approved to amend LGFA lending documentation to allow lending to CCOs that are 100% owned by one or multiple councils (with the only exception being those with a New Zealand Government shareholding). Any LGFA lending to CCO's requires parent council approval with appropriate security structure arrangements.

In order to amend the LGFA documentation, each local authority member of LGFA is required to enter into certain deeds of amendment and restatement. Council therefore intends to make a formal resolution to execute the following legal documents:

- a) Amendment and Restatement Deed (Multi-issuer Deed) – Attachment 2
- b) Amendment and Restatement Deed (Notes Subscription Agreement) – Attachment 3 and
- c) Amendment and Restatement Deed (Guarantee and Indemnity) – Attachment 4.
- d) In addition, the Chief Executive is requested to sign a section 118 Chief Executive Certificate (Attachment 5) in relation to the documents noted at (a) - (c) above.

The documents have been prepared by LGFA's solicitors, Russell McVeagh.

Simpson Grierson have reviewed and approved the documents on behalf of the LGFA Shareholders' Council. The Chief Executive Certificate has been prepared by Simpson Grierson.

It is proposed that the authority for signing the abovementioned deeds be delegated to two elected members of Council.

The Chief Executive is also requested to sign the Chief Executive Certificate.

## **5 Significance and engagement**

The decisions or matters of this agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda publication on the website.

## **6 Attachments**

1. Council endorsement dated 24 October 2019
2. Amendment and Restatement Deed (Multi-issuer Deed)
3. Amendment and Restatement Deed (Notes Subscription Agreement)
4. Amendment and Restatement Deed (Guarantee and Indemnity)
5. Chief Executive Guarantee Certificate



## Decision under Chief Executive's temporary delegation – Local Government Funding Agency – 2019 Annual Meeting Matters

**Department:** Corporate Group  
**Date of decision:** 24 October 2019  
**Reporting officer:** Alan Adcock (General Manager – Corporate/CFO)

### 1 Purpose

To establish Council's position on the matters being put forward for consideration at the Local Government Funding Agency (LGFA) Annual Meeting (AM) on 21 November 2019.

### 2 Recommendations

That the Council:

1. Notes the Local Government Funding Agency has advised that its Annual Meeting will be held on 21 November 2019 in Wellington.
2. Appoints General Manager Corporate/CFO Alan Adcock to attend the Annual Meeting as the shareholder representative for Whangarei District Council.
3. Should Alan Adcock be unable to attend the meeting, appoints Craig Stobo, Local Government Funding Agency Chair, as Council's proxy in his place.
4. Agrees that the proxy or alternate votes in favour of the following proposals which require ordinary shareholder resolutions:
  - a. Linda Robertson is re-appointed to the Local Government Funding Agency's board as an independent director;
  - b. Mike Timmer is re-appointed to the Local Government Funding Agency's board as a non-independent director;
  - c. Auckland Council is re-elected to the Shareholders' Council;
  - d. Western Bay of Plenty District Council is re-elected to the Shareholders' Council;
  - e. Increases to Directors' remuneration
  - e. Changes to the Local Government Funding Agency's foundation policies.
  - f. Changes to the Local Government Funding Agency's Shareholders' Agreement.

### 3 Background

The LGFA is a Council-controlled organisation (CCO), owned 11.1% by the Government and 88.9% by 30 local authorities. Whangarei District Council has an ownership stake of 3.3 %.

The LGFA was established to provide councils with improved access to cost-effective long term debt. It is a registered financial institution regulated by the Reserve Bank. Total loans made to local government total around \$7.976 billion. Together, Auckland Council and Christchurch City Council have approximately 47% of the LGFA's issued debt, with the remainder shared between the other councils.

The LGFA's Shareholder's Agreement (SHA) provides that the board may comprise between four and seven directors, a majority of whom must be independent. Since inception in 2011, the board has had six directors, one of which was non-independent (aside from one very short period due to a time lag between the retirement of a director and the appointment of a replacement). The SHA provides that in each year, the longest serving independent director, and the longest serving non-independent director must retire from the board, but may offer themselves for re-election.

Current board members are Craig Stobo (Chair) who was initially appointed in 2011 and was re-appointed in 2017, Philip Cory-Wright (initially appointed in 2011 and re-appointed in 2016), Linda Robertson (appointed 2015), Anthony Quirk (appointed 2017) and John Avery (initially appointed in 2011 and re-appointed in 2018) and Mike Timmer (initially appointed in 2015 and re-appointed each subsequent year as the only Non-Independent Director).

Council oversight is provided through a Shareholders' Council. The members are Auckland Council, Christchurch City Council, Hamilton City Council, Bay of Plenty Regional Council, Greater Wellington Regional Council, Tasman District Council, Tauranga City Council, Wellington City Council, Western Bay of Plenty District Council and Whangarei District Council as well as the NZ Government (with oversight through the Ministers of Local Government and Finance).

The SHA provides that the role of the Shareholders' Council is to advise shareholders on certain matters, and that it shall (in relation to the matters for resolution at the AM):

- review and report to shareholders periodically on the performance of the company and the board;
- make recommendations on the appointment, removal, re-election, replacement and remuneration of directors; and
- make recommendations to shareholders on, and endeavour to ensure that shareholders are fully informed on matters concerning the company.

Shareholders are entitled to attend and vote at the AM, with a proxy form for voting to be sent to LGFA at least 48 hours prior to the AM.

The following matters are being considered at the AM:

- To receive and consider the financial statements for the year ended 30 June 2019
- Election of Independent Directors
- Election of Non-Independent Directors
- Election of Nominating Local Authorities to Shareholders' Council
- Director Remuneration
- Changes to LGFA's Foundation Documents
- Changes to LGFA's Shareholders' Agreement



Attachment 1 is the Local Government Agency Limited 'Notice of Annual Meeting', which includes Explanatory Notes. The associated 'Proxy Form' is at Attachment 2.

## **4 Discussion**

The LGFA Shareholders' Council (SC) has considered the matters listed above and has written to Shareholders (Attachment 3).

The SC's role (as per the Shareholders' Agreement) includes requirements to:

- make recommendations to Shareholders as to the appointment, removal, re-election, replacement and remuneration of Directors
- make recommendations to Shareholders as to any matters which require the approval of Shareholders.

It should be noted that this letter has been sent by Alan Adcock as the SC Chair and represents the collective views of the SC.

It is recommended that Council follows the recommendations of the SC on all matters, noting the information in their letter and the additional information presented below and in the attachments.

### **Director's Remuneration**

Recommendations regarding Directors' remuneration are based on market analysis conducted by Board Dynamics. Their report is included at Attachment 4.

### **Changes to Foundation Documents and the Shareholders' Agreement**

At the last AGM (in November 2018) it was agreed to extend LGFA's operations to include direct lending to Council Controlled Organisations and to allow financial covenants to be measured on a Group (rather than Council parent) basis in certain circumstances.

The Shareholders' Council supports these changes as being consistent with LGFA's primary objective; to optimise the debt funding terms and conditions for participating local authorities.

Since then a considerable amount of work has been undertaken to make the necessary arrangements to implement this decision.

The Shareholders' Council has played an integral part in this process, taking expert legal advice to ensure that the changes did not compromise our conditional support for this change, which was that there would be no additional risk to guaranteeing councils.

Due to growth in LGFA's balance sheet, adjustments are also needed to various elements of the Foundation Policies to keep them aligned to current and project lending volumes so they remain fit for purpose.

A paper explaining LGFA's evolution since inception and the proposed changes is included at Attachment 5.

Marked up documents outlining the changes to the Shareholders' Agreement and Foundation Policies are also included at Attachment 6.

## 5 Significance and engagement

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

## 6 Attachments

1. LGFA – Notice of Annual Meeting
2. LGFA – AM Proxy Form
3. Letter – Shareholders' Council AM Recommendations
4. Director's Remuneration Report – Board Dynamics
5. LGFA Background Information paper
6. Marked up LGFA documents

## Decision made under delegation during the election period

The Chief Executive was provided full delegation by Council at its 29 August meeting, except for those responsibilities duties and powers specifically excluded in clause 32(1)(a)- h) of Schedule 7 of the Local Government Act 2002 or in any other Act, from the day after the Electoral Officer declares the result of the election until the convening of the first meeting of the new Council, scheduled for 31 October 2019.

The decisions in this report are administrative and were required to be made as there was no opportunity to report to the inaugural council meeting and the next scheduled council meeting is after the LGNZ meetings. This report will be presented to a Council meeting for information as soon as practical.

For clarity, the following decisions have been made under this delegation by the Chief Executive.

### The Chief Executive:



R Forlong  
Chief Executive  
Whangarei District Council

24. October 2019

# Amendment and Restatement Deed (Multi- issuer Deed)

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## **PARTIES**

The Local Authorities listed in Schedule 1

Issuers

New Zealand Local Government Funding Agency Limited

Subscriber

**DEED** dated

2020

## **PARTIES**

The Local Authorities listed in Schedule 1

("Issuers")

New Zealand Local Government Funding Agency Limited

("Subscriber")

## **INTRODUCTION**

The parties wish to amend and restate the Multi-issuer Deed as set out in this deed.

## **COVENANTS**

### **1. INTERPRETATION**

#### **1.1 Definitions:** In this deed:

**"Effective Date"** means the date notified by the Subscriber as the Effective Date in accordance with clause 2.1.

**"Multi-issuer Deed"** means the multi-issuer deed dated 7 December 2011 (as amended and restated on 5 June 2015) between the Issuers and the Subscriber.

#### **1.2 Multi-issuer Deed definitions:** Words and expressions defined in the Multi-issuer Deed (as amended by this deed) have, except to the extent the context requires otherwise, the same meaning in this deed.

#### **1.3 Miscellaneous:**

- (a) Headings are inserted for convenience only and do not affect interpretation of this deed.
- (b) References to a person include that person's successors, permitted assigns, executors and administrators (as applicable).
- (c) Unless the context otherwise requires, the singular includes the plural and vice versa and words denoting individuals include other persons and vice versa.

- (d) A reference to any legislation includes any statutory regulations, rules, orders or instruments made or issued pursuant to that legislation and any amendment to, re-enactment of, or replacement of, that legislation.
- (e) A reference to any document includes reference to that document as amended, modified, novated, supplemented, varied or replaced from time to time.
- (f) Unless otherwise stated, reference to a clause or schedule is a reference to a clause of or schedule to this deed.
- (g) A reference to "including", "for example" or "such as", when introducing an example, does not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

## 2. CONDITIONS PRECEDENT

- 2.1 **Effective Date:** The Effective Date shall be the date the Subscriber confirms to the Issuers that it has received, and found satisfactory to it in form and substance, the documents and evidence specified in schedule 2.

## 3. AMENDMENT AND RESTATEMENT

- 3.1 **Amendment and restatement:** With effect on and from the Effective Date, the Multi-issuer Deed shall be amended and restated in the form set out in the appendix to this deed, in accordance with clause 12.1 of the Multi-issuer Deed.
- 3.2 **Full force and effect:** Except to the extent amended by this deed, the Multi-issuer Deed remains in full force and effect.

## 4. ISSUER ACKNOWLEDGEMENTS AND CONFIRMATIONS

- 4.1 **Debenture Trust Deed:** Each Issuer acknowledges and agrees that nothing in this deed shall prejudice the rights of the Subscriber under the Debenture Trust Deed and confirms and agrees that its liabilities and obligations under the Debenture Trust Deed, all Security Stock issued, and all Security Stock Certificates delivered, to the Subscriber continue in full force and effect.
- 4.2 **Conditions:** Each Issuer and the Subscriber agrees that the Conditions (as amended by this deed) apply to each existing Series of Securities issued by that Issuer. This is an agreement for the purposes of clause 11.1 of the Conditions and a written Extraordinary

Resolution of the sole Holder of all existing Securities in accordance with clause 17.1 of the Schedule to the Conditions for the purposes of clause 11.3 of the Conditions.

- 4.3 **Notice details:** Each Issuer confirms that its current notice details for the purposes of clause 11 of the Multi-issuer Deed and clause 12 of the Conditions are as set out in schedule 1.
- 4.4 **Agency Agreement and Registrar:** Each Issuer confirms that its Agency Agreement and Registrar for the purposes of the definitions of those terms in the Conditions are as set out in schedule 1.

## 5. GENERAL

- 5.1 **Counterparts:** This deed may be executed in any number of counterparts, and this shall have the same effect as if the signatures on the counterparts were on a single copy of this deed.
- 5.2 **Governing law:** This deed is governed by, and construed in accordance with, New Zealand law. The parties submit to the non-exclusive jurisdiction of the courts of New Zealand.

**EXECUTED AS A DEED**

**The Issuers**

**ASHBURTON DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**AUCKLAND COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

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Signature of elected member

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Name of elected member

\_\_\_\_\_  
Name of elected member

**BAY OF PLENTY REGIONAL COUNCIL**

by:

\_\_\_\_\_  
Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**BULLER DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**CANTERBURY REGIONAL COUNCIL** by:

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 Signature of elected member

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 Signature of elected member

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 Name of elected member

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 Name of elected member
**CARTERTON DISTRICT COUNCIL** by:

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 Signature of elected member

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 Signature of elected member

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 Name of elected member

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 Name of elected member
**CENTRAL HAWKE'S BAY DISTRICT COUNCIL** by:

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 Signature of elected member

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 Signature of elected member

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 Name of elected member

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 Name of elected member
**CHRISTCHURCH CITY COUNCIL** by:

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 Signature of elected member

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 Signature of elected member

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 Name of elected member

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 Name of elected member



**CLUTHA DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**FAR NORTH DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**GISBORNE DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**GORE DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**GREY DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**HAMILTON CITY COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**HASTINGS DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**HAURAKI DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**HAWKE'S BAY REGIONAL COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**HOROWHENUA DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**HURUNUI DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**HUTT CITY COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**INVERCARGILL CITY COUNCIL** by:

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Signature of elected member

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Name of elected member

**KAIKOURA DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**KAIPARA DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**KAPITI COAST DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**MACKENZIE DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**MANAWATU DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**MANAWATŪ-WHANGANUI REGIONAL  
COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**MARLBOROUGH DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**MASTERTON DISTRICT COUNCIL** by:

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 Signature of elected member

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 Signature of elected member

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 Name of elected member

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 Name of elected member
**MATAMATA-PIAKO DISTRICT COUNCIL**

by:

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 Signature of elected member

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 Signature of elected member

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 Name of elected member

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 Name of elected member
**NELSON CITY COUNCIL** by:

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 Signature of elected member

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 Name of elected member
**NEW PLYMOUTH DISTRICT COUNCIL** by:

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 Signature of elected member

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 Name of elected member

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 Name of elected member

**NORTHLAND REGIONAL COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**ŌPŌTIKI DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**ŌTOROHANGA DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**PALMERSTON NORTH CITY COUNCIL**  
by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**PORIRUA CITY COUNCIL** by:

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Signature of elected member

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Name of elected member

**QUEENSTOWN-LAKES DISTRICT  
COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**RANGITIKEI DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**ROTORUA DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member



**RUAPEHU DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
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Name of elected member**SELWYN DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**SOUTH TARANAKI DISTRICT COUNCIL**

by:

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Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**SOUTH WAIRARAPA DISTRICT COUNCIL**

by:

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Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member

**STRATFORD DISTRICT COUNCIL** by:

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 Signature of elected member

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 Signature of elected member

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 Name of elected member

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 Name of elected member
**TARANAKI REGIONAL COUNCIL** by:

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 Signature of elected member

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 Signature of elected member

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**TARARUA DISTRICT COUNCIL** by:

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**TASMAN DISTRICT COUNCIL** by:

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 Name of elected member

**TAUPO DISTRICT COUNCIL** by:\_\_\_\_\_  
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Name of elected member**TAURANGA CITY COUNCIL** by:\_\_\_\_\_  
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Name of elected member**THAMES-COROMANDEL DISTRICT  
COUNCIL** by:\_\_\_\_\_  
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Name of elected member**TIMARU DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
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Name of elected member

**UPPER HUTT CITY COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
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Name of elected member**WAIKATO DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
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Name of elected member**WAIKATO REGIONAL COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
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Name of elected member\_\_\_\_\_  
Name of elected member**WAIMAKARIRI DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
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Name of elected member

**WAIPA DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WAIROA DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WAITOMO DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WELLINGTON CITY COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WELLINGTON REGIONAL COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**WEST COAST REGIONAL COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**WESTERN BAY OF PLENTY DISTRICT  
COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
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Name of elected member**WESTLAND DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
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Name of elected member\_\_\_\_\_  
Name of elected member

**WHAKATANE DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WHANGANUI DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WHANGAREI DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**The Subscriber**

**NEW ZEALAND LOCAL GOVERNMENT  
FUNDING AGENCY LIMITED** by:

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Name of director

\_\_\_\_\_  
Name of director

**SCHEDULE 1****Issuers**

<b>Local Authority name:</b>	<b>Debenture Trust Deed, Agency Agreement and Registrar details:</b>	<b>Details for notices:</b>
Ashburton District Council	<p>Debenture Trust Deed between Ashburton District Council and Trustees Executors Limited dated 23 April 2010.</p> <p>Registrar and Paying Agency Agreement between Ashburton District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 13 April 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Ashburton District Council 5 Baring Square West Ashburton</p> <p>Postal Address: Ashburton District Council PO Box 94 Ashburton 7740</p> <p>Email: Rachel.Sparks@adc.govt.nz Attention: Finance Manager</p>
Auckland Council	<p>Debenture Trust Deed between Auckland Council and Trustees Executors Limited dated 2 December 2010, as amended from time to time and most recently on 25 May 2016.</p> <p>Registrar and Paying Agency Agreement between Auckland Council and Computershare Investor Services Limited dated 5 November 2010, as amended from time to time and most recently on 12 December 2017.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: 135 Albert Street Auckland 1010</p> <p>Postal Address: Private Bag 92300 Victoria Street West Auckland 1142</p> <p>Email: john.bishop@aucklandcouncil.govt.nz Attention: John Bishop, Group Treasurer</p>
Bay Of Plenty Regional Council	<p>Debenture Trust Deed between Bay of Plenty Regional Council and</p>	<p>Delivery Address: 5 Quay Street Whakatāne</p>



	<p>Trustees Executors Limited dated on or about 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Bay of Plenty Regional Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Postal Address: P O Box 364 Whakatāne 3158</p> <p>Email: mat.taylor@boprc.govt.nz</p> <p>Attention: Mat Taylor</p>
Buller District Council	<p>Debenture Trust Deed between Buller District Council and Corporate Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 20 October 2015.</p> <p>Registry Customer Agreement between Buller District Council and Link Market Services Limited dated 20 October 2015.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address:  Buller District Council 6-8 Brougham Street Westport</p> <p>Attention: Wendy Thompson, Financial Accountant</p>
Canterbury Regional Council	<p>Debenture Trust Deed between Canterbury Regional Council and Trustees Executors Limited dated 21 September 2015.</p> <p>Registry Customer Agreement between Canterbury Regional Council and Link Market Services Limited dated 21 September 2015.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address:  200 Tuam Street Christchurch 8140</p> <p>Attention:  Chief Financial Officer</p> <p>Postal Address:  PO Box 345 Christchurch</p>

<p>Carterton District Council</p>	<p>Debenture Trust Deed between Carterton District Council and Covenant Trustee Services Limited dated 18 February 2020.</p> <p>Registry Customer Agreement between Carterton District Council and Link Market Services Limited dated 18 February 2020.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address:</p> <p>Carterton District Council</p> <p>28 Holloway Street</p> <p>CARTERTON 5713</p> <p>Attention: Jane Davis</p> <p>Email: jane.davis@cdc.govt.nz</p> <p>Postal Address:</p> <p>Carterton District Council</p> <p>PO Box 9</p> <p>CARTERTON 5713</p>
<p>Central Hawke's Bay District Council</p>	<p>Debenture Trust Deed between Central Hawke's Bay District Council and Covenant Trustee Services Limited dated 12 July 2016.</p> <p>Registrar and Paying Agency Agreement between Central Hawke's Bay District Council and Computershare Investor Services Limited dated 2 April 2004, as amended from time to time and most recently on 12 July 2016.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>Central Hawke's Bay District Council</p> <p>28-32 Ruataniwha Street</p> <p>Waipawa 4240</p> <p>Attention:</p> <p>Chief Executive Officer</p> <p>Facsimile:</p> <p>(06) 857 7179</p> <p>Email:</p> <p>info@chbdc.govt.nz</p>
<p>Christchurch City Council</p>	<p>Debenture Trust Deed between Christchurch City Council and Trustees Executors Limited dated 26 March 2007, as amended from time to time and most recently on 30 November 2011.</p>	<p>Delivery Address:</p> <p>Civic Offices</p> <p>53 Hereford Street</p> <p>Christchurch</p> <p>Postal Address:</p> <p>P O Box 73016</p>

	<p>Registrar and Paying Agency Agreement between Christchurch City Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Christchurch 8154</p> <p>Email: Treasury@ccc.govt.nz</p> <p>Attention: Andrew Jefferies</p>
Clutha District Council	<p>Debenture Trust Deed between Clutha District Council and Trustees Executors Limited dated 21 December 2018.</p> <p>Registry Customer Agreement between Clutha District Council and Link Market Services Limited dated 21 December 2018.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address:</p> <p>Clutha District Council 1 Rosebank Terrace Balclutha 9230</p> <p>Attention:</p> <p>John Scott</p> <p>Email:</p> <p>john-scott@cluthadc.govt.nz</p> <p>Postal Address:</p> <p>PO Box 25 Rosebank Terrace Balclutha 9240</p>
Far North District Council	<p>Debenture Trust Deed between Far North District Council and Trustees Executors Limited dated 31 May 2011, as amended from time to time and most recently on 13 February 2013.</p> <p>Registrar and Paying Agency Agreement between Far North District Council and Computershare Investor Services Limited dated 14 April 2004, as amended from time</p>	<p>Delivery Address:</p> <p>Memorial Avenue, Kaikohe</p> <p>Postal Address:</p> <p>Private Bag 752, Kaikohe 0440</p> <p>Email: William.taylor@fndc.govt.nz Janice.smith@fndc.govt.nz</p> <p>Attention: General Manager, Corporate Services</p>

	<p>to time and most recently on 14 February 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	
Gisborne District Council	<p>Debenture Trust Deed between Gisborne District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 6 August 2003, as amended from time to time and most recently on 28 November 2012.</p> <p>Registrar and Paying Agency Agreement between Gisborne District Council and Link Market Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2012.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address:</p> <p>15 Fitzherbert Street Gisborne</p> <p>Postal Address:</p> <p>PO Box 747 Gisborne 4010</p> <p>Email: <a href="mailto:treasury@gdc.govt.nz">treasury@gdc.govt.nz</a></p> <p>Attention: Pauline Foreman</p>
Gore District Council	<p>Debenture Trust Deed between Gore District Council and Trustees Executors Limited dated 9 March 2016.</p> <p>Registry Customer Agreement between Gore District Council and Link Market Services Limited dated 9 March 2016.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address:</p> <p>Gore District Council 29 Bowler Avenue Gore 9740</p> <p>Attention:</p> <p>Chief Financial Officer</p> <p>Facsimile:</p> <p>(03) 209 0330</p> <p>Email:</p> <p><a href="mailto:info@goredc.govt.nz">info@goredc.govt.nz</a></p>

		Postal Address: PO Box 8 Gore 9740
Grey District Council	Debenture Trust Deed between Grey District Council and Trustees Executors Limited dated 28 March 2013.  Registrar and Paying Agency Agreement between Grey District Council and Computershare Investor Services Limited dated 28 March 2013.  Registrar: Computershare Investor Services Limited	Delivery Address: 105 Tainui Street Greymouth 7805  Postal Address: PO Box 382 Greymouth 7840  Email: <a href="mailto:finance@greydc.govt.nz">finance@greydc.govt.nz</a> Attention: Corporate Services Manager
Hamilton City Council	Debenture Trust Deed between Hamilton City Council and Trustees Executors Limited dated 19 June 2001, as amended from time to time and most recently on 30 November 2011.  Registrar and Paying Agency Agreement between Hamilton City Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.  Registrar: Computershare Investor Services Limited	Delivery Address: 260 Anglesea Street Council Building Garden Place Hamilton 3240  Postal Address: Private Bag 3010 Hamilton 3240  Email: <a href="mailto:david.bryant@hcc.govt.nz">david.bryant@hcc.govt.nz</a>  Attention: David Bryant
Hastings District Council	Debenture Trust Deed between Hastings District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 16 March 2007, as amended from	Delivery Address: 207 Lyndon Road East Hastings 4122  Postal Address: Private Bag 9002

	<p>time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Hastings District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Hastings 4156</p> <p>Email: brucea@hdc.govt.nz</p> <p>Attention: Bruce Allan</p>
Hauraki District Council	<p>Debenture Trust Deed between Hauraki District Council and Trustees Executors Limited dated 29 November 2012.</p> <p>Registrar and Paying Agency Agreement between Hauraki District Council and Computershare Investor Services Limited dated 29 November 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>William Street Paeroa 3600</p> <p>Postal Address:</p> <p>PO Box 17 Paeroa 3640</p> <p>Email: info@hauraki-dc.govt.nz</p> <p>Attention: Corporate Services Group Manager</p>

Hawke's Bay Regional Council	<p>Debenture Trust Deed between Hawke's Bay Regional Council and Covenant Trustee Services Limited dated 20 March 2019.</p> <p>Registrar and Paying Agent Services Agreement between Hawke's Bay Regional Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 20 March 2019.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>Hawke's Bay Regional Council 159 Dalton Street Napier 4110</p> <p>Attention: Bronda Smith</p> <p>Email: bronda.smith@hbrc.govt.nz</p> <p>Postal Address:</p> <p>Hawke's Bay Regional Council Private Bag 6006 Napier 4142</p>
Horowhenua District Council	<p>Debenture Trust Deed between Horowhenua District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 27 April 2010, as amended from time to time and most recently on 28 November 2012.</p> <p>Registrar and Paying Agency Agreement between Horowhenua District Council and Computershare Investor Services Limited dated 23 March 2004, as amended from time to time and most recently on 28 November 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>126 - 148 Oxford Street Levin 5510</p> <p>Postal Address:</p> <p>Private Bag 4002 Levin 5540</p> <p>Email: dougl@horowhenua.govt.nz</p> <p>Attention: Doug Law</p>
Hurunui District Council	<p>Debenture Trust Deed between Hurunui District Council and Perpetual Trust Limited (and now between the Council and Covenant</p>	<p>Delivery Address:</p> <p>66 Carters Road (SH1) Amberley 7410</p>

	<p>Trustee Services Limited) dated 27 May 2010, as amended from time to time and most recently on 31 October 2013.</p> <p>Registrar and Paying Agency Agreement between Hurunui District Council and Computershare Investor Services Limited dated 27 May 2010, as amended from time to time and most recently on 31 October 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Postal Address:</p> <p>PO Box 13</p> <p>Amberley 7441</p> <p>North Canterbury</p> <p>Email: jason.beck@hurunui.govt.nz</p> <p>Attention: Jason Beck</p>
Hutt City Council	<p>Debenture Trust Deed between Hutt City Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 6 August 1998, as amended from time to time and most recently on 30 November 2012.</p> <p>Registrar and Paying Agency Agreement between Hutt City Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 18 February 2014.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>30 Laings Road</p> <p>Lower Hutt</p> <p>Postal Address:</p> <p>Private bag 31912</p> <p>Lower Hutt 5040</p> <p>Email:</p> <p>glenn.phillips@huttcity.govt.nz</p> <p>Attention: Glenn Usoali'i-Phillips</p>
Invercargill City Council	<p>Debenture Trust Deed between Invercargill City Council and Trustees Executors Limited dated 22 October 2015, as amended from</p>	<p>Delivery Address:</p> <p>Invercargill City Council</p> <p>Attention: Dave Foster</p> <p>Email: dave.foster@icc.govt.nz</p>



	<p>time to time and most recently on 2 April 2019.</p> <p>Registrar and Paying Agent Services Agreement between Invercargill City Council and Computershare Investor Services Limited dated 22 October 2015, as amended from time to time and most recently on 2 April 2019.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Postal Address:</p> <p>Invercargill City Council</p> <p>Private Bag 90104</p> <p>Invercargill 9840</p>
Kaikoura District Council	<p>Debenture Trust Deed between Kaikoura District Council and Covenant Trustee Services Limited dated 20 December 2019.</p> <p>Registry Customer Agreement between Kaikoura District Council and Link Market Services Limited dated 20 December 2019.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address:</p> <p>Kaikoura District Council</p> <p>96 West End</p> <p>Kaikoura 7340</p> <p>Attention: Sheryl Poulsen</p> <p>Email:</p> <p>Sheryl.poulsen@kaikoura.govt.nz</p> <p>Postal Address:</p> <p>Kaikoura District Council</p> <p>PO Box 6</p> <p>Kaikoura 7340</p>
Kaipara District Council	<p>Debenture Trust Deed between Kaipara District Council and Corporate Trust Limited (trading as Foundation Corporate Trust) (and now between the Council and Covenant Trustee Services Limited) dated 13 September 2013.</p> <p>Registrar and Paying Agency Agreement between Kaipara District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time</p>	<p>Delivery Address:</p> <p>42 Hokianga Road</p> <p>Dargaville</p> <p>Attention:</p> <p>General Manager Sustainable Growth and Investment</p> <p>Email:</p> <p>sdavidson@kaipara.govt.nz</p> <p>Postal Address:</p> <p>Private Bag 1001</p>

	<p>to time and most recently on 22 March 2016.</p> <p>Registrar: Computershare Investor Services Limited</p>	Dargaville 0340
Kapiti Coast District Council	<p>Debenture Trust Deed between Kāpiti Coast District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 19 September 2012.</p> <p>Registrar and Paying Agency Agreement between Kāpiti Coast District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 28 June 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>Council Offices 175 Rimu Road Paraparaumu 5032</p> <p>Postal Address:</p> <p>Private Bag 60-601 Paraparaumu 5254</p> <p>Email:</p> <p>wayne.maxwell@kapiticoast.govt.nz Attention: Wayne Maxwell</p> <p>Email:</p> <p>mark.dehaast@kapiticoast.govt.nz Attention: Mark de Haast</p> <p>Email:</p> <p>david.wilson@kapiticoast.govt.nz Attention: David Wilson</p>
Mackenzie District Council	<p>Debenture Trust Deed between Mackenzie District Council and Trustees Executors Limited dated 21 December 2018.</p> <p>Registry Customer Agreement between Mackenzie District Council and Link Market Services Limited dated 21 December 2018.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address:</p> <p>Mackenzie District Council 53 Main Street FAIRLIE 7925</p> <p>Attention:</p> <p>Adrian Hodgett</p> <p>Email:</p> <p>adrian@mackenzie.govt.nz</p>

		<p>Postal Address:</p> <p>PO Box 52</p> <p>Main Street</p> <p>FAIRLIE 7949</p>
Manawatu District Council	<p>Debenture Trust Deed between Manawatu District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 26 September 2012.</p> <p>Registrar and Paying Agency Agreement between Manawatu District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 28 September 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>135 Manchester Street</p> <p>Fielding</p> <p>Postal Address:</p> <p>Private Bag 10001</p> <p>Fielding 4743</p> <p>Email:</p> <p>amanda.calman@mdc.govt.nz</p> <p>Attention: Amanda Calman</p>
Manawātū-Whanganui Regional Council (which trades as Horizons Regional Council)	<p>Debenture Trust Deed between Horizons Regional Council and Trustees Executors Limited dated 28 July 2008, as amended from time to time and most recently on 9 September 2013.</p> <p>Registrar and Paying Agency Agreement between Horizons Regional Council and Computershare Investor Services Limited dated 28 July 2008, as amended from time to time and most recently on 4 September 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>11-15 Victoria Avenue</p> <p>Palmerston North</p> <p>Postal Address:</p> <p>Private Bag 11025</p> <p>Manawatu Mail Centre</p> <p>Palmerston North</p> <p>Email: treasury@horizons.govt.nz</p> <p>Attention: Adrian Smith</p>

Marlborough District Council	<p>Debenture Trust Deed between Marlborough District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 10 December 2010, as amended from time to time and most recently on 30 November 2012.</p> <p>Registrar and Paying Agency Agreement between Marlborough District Council and Computershare Investor Services Limited dated 5 October 2010, as amended from time to time and most recently on 30 November 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: 15 Seymour Street Seymour Square Blenheim 7201</p> <p>Postal Address: PO Box 443 Blenheim 7240</p> <p>Email: Martin.Fletcher@marlborough.govt.nz Borrowings@marlborough.govt.nz Attention: Martin Fletcher/Adrian Ferris</p>
Masterton District Council	<p>Debenture Trust Deed between Masterton District Council and Trustees Executors Limited dated 26 June 2007, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Masterton District Council and Computershare Investor Services Limited dated 18 June 2007, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: 27 Lincoln Road Masterton 5810</p> <p>Postal Address: PO Box 444 Masterton 5840</p> <p>Email: davidp@mstn.govt.nz</p> <p>Attention: Manager Finance</p>
Matamata-Piako District Council	<p>Debenture Trust Deed between Matamata-Piako District Council and Trustees Executors Limited dated 9 May 2011, as amended from time to</p>	<p>Delivery Address: 35 Kenrick Street Te Aroha</p>

	<p>time and most recently on 13 February 2013.</p> <p>Registrar and Paying Agency Agreement between Matamata-Piako District Council Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 13 February 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Postal Address:</p> <p>PO Box 266</p> <p>Te Aroha</p> <p>Email: danglesey@mpdc.govt.nz lrushbrooke@mpdc.govt.nz</p> <p>Attention: Finance and Business Service Manager / Deputy Finance Manager</p>
Nelson City Council	<p>Debenture Trust Deed between Nelson City Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 10 December 2010, as amended from time to time and most recently on 2 April 2013.</p> <p>Registry Customer Agreement between Nelson City Council and Link Market Services Limited dated 10 December 2010, as amended from time to time and most recently on 2 April 2013.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address:</p> <p>Civic House</p> <p>110 Trafalgar Street</p> <p>Nelson 7010</p> <p>Postal Address:</p> <p>PO Box 645</p> <p>Nelson 7040</p> <p>Email: Nikki.harrison@ncc.govt.nz</p> <p>Attention: Group Manager Corporate Services</p>
New Plymouth District Council	<p>Debenture Trust Deed between New Plymouth District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 21 May 2009, as amended from time to time and most recently on 30 November 2011.</p>	<p>Delivery Address:</p> <p>Liardet St</p> <p>New Plymouth</p> <p>Postal Address:</p> <p>Private Bag 2025</p> <p>New Plymouth 4342</p>

	<p>Registrar and Paying Agency Agreement between New Plymouth District Council and Computershare Investor Services Limited dated 16 March 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Email: alison.trustrumrainey@npdc.govt.nz / carla.freeman@npdc.govt.nz</p> <p>Attention: Alison TrustrumRainey / Carla Freeman</p>
Northland Regional Council	<p>Debenture Trust Deed between Northland Regional Council and Trustees Executors Limited dated 6 July 2015.</p> <p>Registry Customer Agreement between Northland Regional Council and Link Market Services Limited dated 6 July 2015.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: Northland Regional Council 36 Water St Whangarei 0110</p> <p>Attention: Chief Executive Officer</p> <p>Facsimile: (09) 470 1202</p> <p>Email: malcolmn@nrc.govt.nz, with a copy to mailroom@nrc.govt.nz</p> <p>Postal Address: 36 Water St Whangarei 0110</p>
Ōpōtiki District Council	<p>Debenture Trust Deed between Ōpōtiki District Council and Trustees Executors Limited dated 11 November 2014.</p> <p>Registrar and Paying Agency Agreement between Ōpōtiki District Council and Computershare Investor Services Limited dated 1</p>	<p>Delivery Address: Ōpōtiki District Council 108 St John Street Ōpōtiki 3122</p> <p>Postal Address: PO Box 44</p>

	<p>April 2004, as amended from time to time and most recently on 11 November 2014.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Ōpōtiki 3162</p> <p>Email: GregoryR@odc.govt.nz</p> <p>Attention: Gregory Robertson</p>
Ōtorohanga District Council	<p>Debenture Trust Deed between Ōtorohanga District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Ōtorohanga District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>17 Maniapoto Street Ōtorohanga 3940</p> <p>Postal Address</p> <p>PO Box 11 Ōtorohanga 3940</p> <p>Email: grahamb@otodc.govt.nz</p> <p>Attention: Graham Bunn</p>
Palmerston North City Council	<p>Debenture Trust Deed between Palmerston North City Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 18 February 1999, as amended from time to time and most recently on 4 April 2012.</p> <p>Registrar and Paying Agency Agreement between Palmerston North City Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 10 April 2012.</p>	<p>Delivery Address:</p> <p>32 The Square Palmerston North 4410</p> <p>Postal Address:</p> <p>Private Bag 11034 Palmerston North</p> <p>Email:</p> <p>steve.paterson@pncc.govt.nz</p> <p>Attention: Strategy Manager Finance</p>

	Registrar: Computershare Investor Services Limited	
Porirua City Council	<p>Debenture Trust Deed between Porirua City Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 16 September 1997, as amended from time to time and most recently on 1 August 2014).</p> <p>Registrar and Paying Agency Agreement between Porirua City Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 July 2014.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>16 Cobham Court Porirua 5022</p> <p>Postal Address:</p> <p>PO Box 50218 Porirua 5240</p> <p>Email:</p> <p>stephen.woolley@porirua.govt.nz</p> <p>Attention: Stephen Woolley</p>
Queenstown-Lakes District Council	<p>Debenture Trust Deed between Queenstown Lakes District Council and Perpetual Trust Limited (trading as Foundation Corporate Trust) (and now between the Council and Covenant Trustee Services Limited) dated 28 September 2009, as amended from time to time and most recently on 14 February 2013.</p> <p>Registrar and Paying Agency Agreement between Queenstown Lakes District Council and Computershare Investor Services Limited dated 3 December 2003, as amended from time to time and most recently on 13 February 2013.</p>	<p>Delivery Address:</p> <p>10 Gorge Road Queenstown 9300</p> <p>Postal Address:</p> <p>Private Bag 50072 Queenstown 9348</p> <p>Email: services@qldc.govt.nz</p> <p>Attention: Chief Financial Officer</p>



	Registrar: Computershare Investor Services Limited	
Rangitikei District Council	<p>Debenture Trust Deed between Rangitikei District Council and Trustees Executors Limited dated 18 December 2017.</p> <p>Registry Customer Agreement between Rangitikei District Council and Link Market Services Limited dated 18 December 2017.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address:</p> <p>Rangitikei District Council 46 High Street Marton 4741</p> <p>Attention:</p> <p>Joanne Devine</p> <p>Email:</p> <p>jo.devine@rangitikei.govt.nz</p> <p>Postal Address:</p> <p>Private Bag 1102 Marton 4741</p>
Rotorua District Council	<p>Debenture Trust Deed between Rotorua District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 22 December 1998, as amended from time to time and most recently on 14 February 2013.</p> <p>Registrar and Paying Agency Agreement between Rotorua District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 18 February 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>Civic Centre 1061 Haupapa Street Rotorua</p> <p>Postal Address:</p> <p>Private Bag 3029 Rotorua Mail Centre Rotorua</p> <p>Email: Thomas.colle@rdc.govt.nz</p> <p>Attention: Thomas Colle</p>
Ruapehu District Council	Debenture Trust Deed between Ruapehu District Council and	Delivery Address: Ruapehu District Council

	<p>Trustees Executors Limited dated 3 July 2018.</p> <p>Registrar and Paying Agency Agreement between Ruapehu District Council and Computershare Investor Services Limited dated 3 July 2018.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>59 - 63 Huia Street Taumarunui 3920</p> <p>Attention: Alan Young</p> <p>Email: Alan.young@ruapehudc.govt.nz</p> <p>Postal Address: Private Bag 1001 Taumarunui 3946</p>
Selwyn District Council	<p>Debenture Trust Deed between Selwyn District Council and Trustees Executors Limited dated 17 July 2009, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Selwyn District Council and Computershare Investor Services Limited dated 17 July 2009, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: 2 Norman Kirk Drive Rolleston</p> <p>Postal Address: P O Box 90 Rolleston 7643</p> <p>Email: Treasury.management@selwyn.govt.nz</p> <p>Attention: Greg Bell</p>
South Taranaki District Council	<p>Debenture Trust Deed between South Taranaki District Council and Trustees Executors Limited dated 21 December 2007, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between South Taranaki District Council and</p>	<p>Delivery Address: 105-111 Albion Street Hawera 4610</p> <p>Postal Address: Private Bag 902 Hawera 4640</p> <p>Email: Vipul.mehta@stdc.govt.nz</p>

	<p>Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Attention: Vipul Mehta</p>
South Wairarapa District Council	<p>Debenture Trust Deed between South Wairarapa District Council and Trustees Executors Limited dated 10 March 2016.</p> <p>Registrar and Paying Agency Agreement between South Wairarapa District Council and Computershare Investor Services Limited dated 10 March 2016.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: South Wairarapa District Council 19 Kitchener Street Martinborough 5711</p> <p>Attention: Harry Wilson/Katrina Neems</p> <p>Email: harry.wilson@swdc.govt.nz / katrina.neems@swdc.govt.nz</p> <p>Postal Address: PO Box 6 Martinborough 5741</p>
Stratford District Council	<p>Debenture Trust Deed between Stratford District Council and Trustees Executors Limited dated 22 May 2018.</p> <p>Registrar and Paying Agency Agreement between Stratford District Council and Computershare Investor Services Limited dated 22 May 2018.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: Stratford District Council 61-63 Miranda Street Stratford 4332</p> <p>Attention: Tiffany Radich</p> <p>Email: TRadich@stratford.govt.nz</p> <p>Postal Address: PO Box 320 Stratford 4352</p>

Taranaki Regional Council	<p>Debenture Trust Deed between Taranaki Regional Council and Trustees Executors Limited dated 9 October 2019.</p> <p>Registrar and Paying Agent Services Agreement between Taranaki Regional Council and Computershare Investor Services Limited dated 9 October 2019.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: Taranaki Regional Council 47 Cloten Road Stratford 4332</p> <p>Attention: Mike Nield</p> <p>Fax: +64 6 765 5097</p> <p>Postal Address: Taranaki Regional Council Private Bag 713 Stratford 4352</p>
Tararua District Council	<p>Debenture Trust Deed between Tararua District Council and Trustees Executors Limited dated 31 May 2013.</p> <p>Registry Customer Agreement between Tararua District Council and Link Market Services Limited dated 31 May 2013.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: 26 Gordon Street Dannevirke</p> <p>Postal Address: 26 Gordon Street PO Box 115 Dannevirke 4942</p> <p>Email: cameron.mckay@tararuadc.govt.nz raj.suppiah@tararuadc.govt.nz</p> <p>Attention: Finance Manager</p>
Tasman District Council	<p>Debenture Trust Deed between Tasman District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 7 July 2010, as amended from time to time and most recently on 30 November 2011.</p>	<p>Delivery Address: 189 Queen Street, Richmond, Nelson 7050</p> <p>Postal Address Private Bag 4 Richmond, Nelson 7050</p> <p>Email: treasury@tasman.govt.nz</p>

	<p>Registry Customer Agreement between Tasman District Council and Link Market Services Limited dated 7 July 2010, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Link Market Services Limited.</p>	<p>Attention: Corporate Services Manager</p>
Taupo District Council	<p>Debenture Trust Deed between Taupo District Council and Trustees Executors Limited dated 19 October 2009, as amended from time to time and most recently on 30 November 2011.</p> <p>Registry Customer Agreement between Taupo District Council and Link Market Services Limited dated 13 July 2009, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Link Market Services Limited.</p>	<p>Delivery Address: 72 Lake Terrace Taupo 3330</p> <p>Postal Address: Private Bag 2005 Taupo 3352</p> <p>Email: <a href="mailto:nward@taupo.govt.nz">nward@taupo.govt.nz</a></p> <p>Attention: Neil Ward</p>
Tauranga City Council	<p>Debenture Trust Deed between Tauranga District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 11 August 1998, as amended from time to time and most recently on 7 September 2012.</p> <p>Registry and Payment Services Agreement between Tauranga District Council and Link Market Services Limited dated 1 April 2004, as amended from time to</p>	<p>Delivery Address: 91 Willow Street Tauranga 3143</p> <p>Postal Address: Private Bag 12022 Tauranga 3143</p> <p>Email: <a href="mailto:treasury.settlements@tauranga.govt.nz">treasury.settlements@tauranga.govt.nz</a></p> <p>Attention: Mohan De Mel</p>

	<p>time and most recently on 30 November 2011.</p> <p>Registrar: Link Market Services Limited.</p>	
Thames-Coromandel District Council	<p>Debenture Trust Deed between Thames-Coromandel District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 12 March 2007, as amended from time to time and most recently on 28 November 2012.</p> <p>Registry and Paying Agency Agreement between Thames-Coromandel District Council and Computershare Investor Services Limited dated 21 November 2006, as amended from time to time and most recently on 28 November 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>515 Mackay Street Thames</p> <p>Postal Address:</p> <p>Private Bag Thames 3540</p> <p>Email: donna.holland@tcdc.govt.nz</p> <p>Attention: Donna Holland</p>
Timaru District Council	<p>Debenture Trust Deed between Timaru District council and PGG Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 15 May 1998, as amended from time to time and most recently on 14 February 2013.</p> <p>Registrar and Paying Agency Agreement between Timaru District Council and Computershare Investor Services Limited dated 10 March 2010, as amended from time</p>	<p>Delivery Address:</p> <p>2 King George Place Timaru</p> <p>Postal Address:</p> <p>PO Box 522 Timaru 7940</p> <p>Email: enquiry@timdc.govt.nz</p> <p>Attention: Chief Financial Officer</p>

	<p>to time and most recently on 18 February 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	
Upper Hutt City Council	<p>Debenture Trust Deed between Upper Hutt City Council and Trustees Executors Limited (formerly the Trustees Executors and Agency Company of New Zealand Limited (trading as Tower Trust)) dated 28 November 2000, as amended from time to time and most recently on 17 February 2014.</p> <p>Registrar and Paying Agency Agreement between Upper Hutt City Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 18 February 2014.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>Civic Administration Building 838 - 842 Fergusson Drive Upper Hutt</p> <p>Postal Address:</p> <p>Private Bag 907 Upper Hutt 5140</p> <p>Email: Julia.Fink@uhcc.govt.nz</p> <p>Attention: Julia Fink</p>
Waikato District Council	<p>Debenture Trust Deed between Waikato District Council and Trustees Executors Limited dated 12 February 2013.</p> <p>Registrar and Paying Agency Agreement between Waikato District Council and Computershare Investor Services Limited dated 18 February 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>Head Office 15 Galileo Street Ngaruawahia</p> <p>Postal Address:</p> <p>Private Bag 544 Ngaruawahia 3742</p> <p>Email:</p> <p>tony.whittaker@waidc.govt.nz</p> <p>Attention: Tony Whittaker</p>

Waikato Regional Council	<p>Debenture Trust Deed between Waikato Regional Council and Trustees Executors Limited dated 2 July 2018.</p> <p>Registrar and Paying Agent Services Agreement between Waikato Regional Council and Computershare Investor Services Limited dated 2 July 2018.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Waikato Regional Council 401 Grey Street HAMILTON 3240</p> <p>Attention: Janine Becker</p> <p>Email: janine.becker@waikatoregion.govt.nz</p> <p>Postal Address: Private Bag 3038 Waikato Mail Centre HAMILTON 3240</p>
Waimakariri District Council	<p>Debenture Trust Deed between Waimakariri District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 23 February 2010, as amended from time to time and most recently on 8 June 2012.</p> <p>Registry and Payment Services Agreement between Waimakariri District Council and Link Market Services Limited dated 1 April 2004, as amended from time to time and most recently on 8 June 2012.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: 215 High Street Rangiora</p> <p>Postal Address: Private Bag 1005 Rangiora 7440</p> <p>Email: jeff.millward@wmk.govt.nz Attention: Jeff Millward</p>
Waipa District Council	<p>Debenture Trust Deed between Waipa District Council and Trustees Executors Limited dated 16 May 2007, as amended from time to</p>	<p>Delivery Address: 101 Bank Street Te Awamutu</p> <p>Postal Address:</p>



	<p>time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Waipa District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Private Bag 2402</p> <p>Te Awamutu 3800</p> <p>Email:</p> <p>Farrah.Templeton@waipadc.govt.nz</p> <p>Sarah.Davies@waipadc.govt.nz</p> <p>Ken.Morris@waipadc.govt.nz</p> <p>Attention: Ken Morris</p>
Wairoa District Council	<p>Debenture Trust Deed between Wairoa District Council and Trustees Executors Limited dated 10 September 2013.</p> <p>Registrar and Paying Agency Agreement between Wairoa District Council and Computershare Investor Services Limited dated 10 September 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>Wairoa District Council</p> <p>Coronation Square</p> <p>97 Queen Street</p> <p>Wairoa 4108</p> <p>Attention:</p> <p>Gary Borg</p> <p>Email:</p> <p>gary@wairoadc.govt.nz</p> <p>Postal Address:</p> <p>PO Box 54, Wairoa 4160</p>
Waitomo District Council	<p>Debenture Trust Deed between Waitomo District Council and Trustees Executors Limited dated 6 August 2010, as amended from time to time and most recently on 10 April 2017.</p> <p>Registry Customer Agreement between Waitomo District Council and Link Market Services Limited dated 6 August 2010, as amended from time to time and most recently on 10 April 2017.</p>	<p>Delivery Address:</p> <p>Waitomo District Council</p> <p>Queen Street</p> <p>Te Kuiti 3910</p> <p>Email:</p> <p>info@waitomo.govt.nz</p> <p>Postal Address:</p> <p>Waitomo District Council</p> <p>PO Box 404</p> <p>Te Kuiti 3941</p>

	Registrar: Link Market Services Limited	Attention: Chief Executive
Wellington City Council	<p>Debenture Trust Deed between Wellington City Council and Trustees Executors Limited dated 11 May 2005, as amended from time to time and most recently on 5 December 2011.</p> <p>Registrar and Paying Agency Agreement between Wellington City Council and Computershare Investor Services Limited dated 11 May 2005, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Wellington City Council 113 The Terrace Wellington</p> <p>Postal Address: PO Box 2199 Wellington 6140</p> <p>Email: martin.read@wcc.govt.nz</p> <p>Attention: Martin Read</p>
Wellington Regional Council	<p>Debenture Trust Deed between Wellington Regional Council and Trustees Executors Limited dated 23 November 2011.</p> <p>Registrar and Paying Agency Agreement between Wellington Regional Council and Computershare Investor Services Limited dated 7 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: Shed 39, 2 Fryatt Quay, Pipitea Wellington 6011</p> <p>Postal Address: P O Box 11646 Manners Street Wellington 6142</p> <p>Email: mike.timmer@gw.govt.nz matthias.zuschlag@gw.govt.nz</p> <p>Attention: Mike Timmer</p>
West Coast Regional Council	Debenture Trust Deed between West Coast Regional Council and	<p>Delivery Address: West Coast Regional Council 388 Main South Road Paroa</p>

	<p>Covenant Trustee Services Limited dated 26 February 2019.</p> <p>Registrar and Paying Agent Services Agreement between West Coast Regional Council and Computershare Investor Services Limited dated 26 February 2019.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>GREYMOUTH 7805</p> <p>Attention: Robert Mallinson</p> <p>Email: rm@wcrcl.govt.nz</p> <p>Postal Address: West Coast Regional Council PO Box 66 GREYMOUTH 7840</p>
Western Bay Of Plenty District Council	<p>Debenture Trust Deed between Western Bay of Plenty District Council and Trustees Executors Limited dated 8 October 1999, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Western Bay of Plenty District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: Barkes Corner Greerton Tauranga</p> <p>Postal Address: Private Bag 12803 Tauranga 3143</p> <p>Email: kumaren.perumal@westernbay.govt.nz</p> <p>Attention: Kumaren Perumal</p>
Westland District Council	<p>Debenture Trust Deed between Westland District Council and Covenant Trustee Services Limited dated 29 March 2018.</p> <p>Registry Customer Agreement between Westland District Council and Link Market Services Limited dated 29 March 2018.</p>	<p>Delivery Address: Westland District Council 36 Weld Street Hokitika 7810</p> <p>Attention: Lesley Crichton</p> <p>Email:</p>

	Registrar: Link Market Services Limited	<p>Lesley.Crichton@westlanddc.govt.nz</p> <p>Postal Address: Private Bag 704 Hokitika 7842</p>
Whakatane District Council	<p>Debenture Trust Deed between Whakatane District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 20 June 2007, as amended from time to time and most recently on 30 March 2012.</p> <p>Registrar and Paying Agency Agreement between Whakatane District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 20 January 2020.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Civic Centre Commerce Street Whakatane</p> <p>Postal Address: Private Bag 1002 Whakatane 3158</p> <p>Email: julie.caverhill@whakatane.govt.nz / Heidi.mccallum@whakatane.govt.nz</p> <p>Attention: Julie Caverhill / Heidi McCallum</p>
Whanganui District Council	<p>Debenture Trust Deed between Whanganui District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 26 May 2000, as amended from time to time and most recently on 30 November 2012.</p> <p>Registrar and Paying Agency Agreement between Whanganui District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time</p>	<p>Delivery Address: 101 Guyton Street Whanganui</p> <p>Postal Address: PO Box 637 Whanganui 4540</p> <p>Email: mike.fermor@whanganui.govt.nz</p> <p>Attention: Mike Fermor</p>

	<p>to time and most recently on 29 November 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	
Whangarei District Council	<p>Debenture Trust Deed between Whangarei District Council and Trustees Executors Limited (formerly Tower Trust Limited) dated 10 June 2002, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Whangarei District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address:</p> <p>Forum North Rust Avenue Whangarei</p> <p>Postal Address:</p> <p>Private Bag 9023 Whangarei 0148</p> <p>Email: alan.adcock@wdc.govt.nz</p> <p>Attention: Alan Adcock</p>

**SCHEDULE 2****Conditions Precedent**

1. A duly executed copy of each of the following documents:
  - (a) this deed;
  - (b) an amendment and restatement deed dated on or about the date of this deed in relation to a guarantee and indemnity dated 7 December 2011;
  - (c) an amendment and restatement deed dated on or about the date of this deed in relation to a notes subscription agreement dated 7 December 2011 (as amended and restated on 5 June 2015); and
  - (d) an amendment and restatement deed dated on or about the date of this deed in relation to a shareholders' agreement dated 7 December 2011 (as amended from time to time).
2. A certificate of compliance for the purposes of s118 of the Local Government Act 2002 (in a form acceptable to the Subscriber) given by the Chief Executive of each Issuer in relation to the entry into this deed and each other deed referred to in items 1(b) and (c) above.
3. A legal opinion from Russell McVeagh, solicitors to the Subscriber, in relation to the enforceability of this deed and each other deed referred to in items 1(b) and (c) above.
4. A legal opinion from Simpson Grierson, solicitors to the Issuers, in relation to each Issuer's entry into this deed and each other deed referred to in items 1(b) and (c) above.

## APPENDIX

### Amended and Restated Multi-issuer Deed

# Multi-issuer Deed

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## **PARTIES**

The Local Authorities Listed in Schedule 1

### **Principal Shareholders**

New Zealand Local Government Funding Agency Limited

### **Subscriber**



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**DEED** dated 7 December 2011 (as amended and restated by the deed to which this deed is attached as an appendix)

## **PARTIES**

The Local Authorities Listed in Schedule 1

("Principal Shareholders")

New Zealand Local Government Funding Agency Limited

("Subscriber")

## **INTRODUCTION**

- A. The Principal Shareholders and the Subscriber wish to record the arrangements agreed between them in relation to the issue of Securities to the Subscriber from time to time by the Principal Shareholders, and other Local Authorities or CCOs that may accede to this deed, as Issuers.
- B. This deed records those arrangements.
- C. None of the obligations under this deed of the Subscriber nor any Issuer that is a Local Authority are guaranteed by the Crown.

## **COVENANTS**

### **1. INTERPRETATION**

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

**"Accession Deed"** means a deed in the form, or substantially in the form, of schedule 4.

**"Agency Agreement"** means, in relation to an Issuer, the issue and paying agency agreement between the Issuer and an agent or agents in relation to the issue of Securities by the Issuer.

**"Annual Rates Income"** means, in relation to an Issuer that is a Local Authority and for a financial year, an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by that Issuer from other Local Authorities for services provided by that Issuer for which those other Local Authorities rate and in each case as shown in the Financial Statements of that Issuer

for that financial year, provided that if such Financial Statements are with respect to a period of less than 12 months, then such amount shall be annualised (so as to reflect a period of 12 months), and the annualised amount shall be the Annual Rates Income.

**"Authorised Signatory"** means, in relation to an Issuer, a person nominated as the Issuer's authorised signatory for the purposes of this deed and notified as such to the Subscriber from time to time.

**"Available Financial Accommodation"** means, in relation to an Issuer on any Test Date, the aggregate as at that date of:

- (a) External Indebtedness;
- (b) committed but undrawn financial accommodation that is available to the Issuer, to the extent there is no legal, contractual or other restriction on the Issuer's ability to draw upon that financial accommodation; and
- (c) Liquid Investments of the Issuer (and not its Consolidated Group).

**"Borrowed Money Indebtedness"** means any indebtedness of the Subscriber to a person (other than indebtedness owed to an Issuer in respect of Borrower Notes) in respect of money borrowed or raised or any other financial accommodation whatsoever in the nature of, or having a similar economic effect to, borrowing or raising money, including indebtedness under or in respect of a negotiable or other financial instrument, guarantee, interest or currency exchange hedge or other arrangement of any kind (calculated on a net and marked to market basis).

**"Borrower Notes"** has the meaning given to it in the Notes Subscription Agreement.

**"Cash"** means, in relation to an Issuer:

- (a) any credit balance on any deposit, savings, current or other account with a registered bank which has outstanding debt securities rated as referred to in paragraph (c) of the definition of "Liquid Investments" and which is freely withdrawable on demand by the Issuer;
- (b) any credit balance of any term deposit with a maturity of less than 180 days with a registered bank which has outstanding debt securities rated as referred to in paragraph (c) of the definition of "Liquid Investments"; and
- (c) any cash in hand.

**"CCO Credit Support"** means, in relation to a CCO Issuer, any combination of the following:

- (a) a CCO Security;
- (b) a CCO Negative Pledge and Covenant;
- (c) a CCO Guarantee;
- (d) where a LA Shareholder provides a CCO Guarantee, the Security Stock issued by the LA Shareholder in respect of its obligations under the CCO Guarantee; and/or
- (e) any other security arrangements,

as specified in the relevant Accession Deed or as otherwise subsequently specified (in writing) by the Subscriber.

**"CCO Negative Pledge and Covenant"** means the undertakings given by a CCO Issuer in favour of the Subscriber and the Holder and, set out in the relevant Accession Deed, relating to:

- (a) for so long as any Series issued by the Issuer is outstanding, the restrictions on the creation or subsistence of any security interest over the whole or any part of its assets, other than a permitted security interest (as specified in the relevant Accession Deed);
- (b) for so long as any Series issued by the Issuer is outstanding, the amount of its indebtedness relative to the aggregate amount uncalled and unpaid in respect of equity securities in the Issuer owned legally and beneficially by the CCO Shareholders; and
- (c) if applicable, calling up and/or demanding payment of, the whole or part (as specified in the request from the Subscriber or Holder) of the amount uncalled and/or unpaid in respect of the equity securities referred to in paragraph (b) on written request from the Subscriber or a Holder, provided that such request may only be made following the occurrence of an Event of Default that is continuing.

**"CCO Support Document"** means, in relation to a CCO Issuer, any document in relation to CCO Credit Support, as specified in the relevant Accession Deed.

**"Compliance Certificate"** means:

- (a) in the case of an Issuer that is a Local Authority, a certificate in the form, or substantially in the form, set out in schedule 7; and
- (b) in the case of a CCO Issuer, a certificate in the form specified by the Subscriber for that Issuer.

**"Conditions"** means the terms and conditions contained in schedule 2.

**"Confirmation Email"** means, in relation to an Issuer and Securities, an email (or other communication which is satisfactory to the Subscriber) from the Issuer to the Subscriber confirming that the Issuer is offering to issue a Series or Tranche of Securities on the terms set out in the applicable Indicative Terms Email. The Confirmation Email must specify:

- (a) the Principal Amount and Maturity Date of the Securities the Issuer is offering to issue; and
- (b) whether the Securities it is offering to issue are Fixed Rate Securities, Floating Rate Securities, Amortising Securities, Zero Coupon Securities or any other type of Security set out in the Indicative Terms Email.

**"Consolidated Group"** means, in relation to an Issuer, the group of persons (including the Issuer) against which the financial covenants in clause 7.5(a) may be tested (as required in accordance with clause 7.5(a)), such group must be agreed in writing by the Subscriber and that Issuer.

**"Demand"** has the meaning given in the Guarantee.

**"Disclosure Information"** has the meaning given to it in clause 7.4(a)(i).

**"Distribution"** means:

- (a) any dividend, charge, fee, payment, other distribution (whether cash or assets), redemption, repurchase, defeasance, retirement or repayment on or in respect of any equity securities or ownership interest of a CCO Issuer;
- (b) any interest payment, any repayment or prepayment of any amount of principal or any other payment in respect of any liability of a CCO Issuer to a CCO Shareholder; and

without limiting the above, a "distribution" as defined in the Companies Act.

**"EC Securities"** means Securities the proceeds of which are to be applied by the relevant Issuer in paying the Exercise Price for Commitment Shares to be subscribed by the Issuer on the Issue Date.

**"Equity Commitment Deed"** means the deed dated on or about the date of this deed between various Local Authorities and the Subscriber entitled "Equity Commitment Deed".

**"Event of Review"** means, in relation to:

- (a) an Issuer that is a Local Authority, a breach of any of the financial covenants in clause 7.5; and
- (b) a CCO Issuer, a breach of any of the financial covenants in the Accession Deed.

**"External Indebtedness"** means, in relation to an Issuer on any Test Date, the aggregate amount of indebtedness of the Issuer to any person in respect of money borrowed or raised or any other financial accommodation whatsoever in the nature of, or having a similar economic effect to, borrowing or raising money, including indebtedness under or in respect of a negotiable or other financial instrument, as shown in the Financial Statements of the Issuer for the financial year ending on that Test Date, but excluding:

- (a) indebtedness that is classed as "internal indebtedness" of the Issuer in the Issuer's Financial Statements for the financial year ending on that Test Date;
- (b) indebtedness that is classified as a contingent liability of the Issuer in the Issuer's Financial Statements for the financial year ending on that Test Date; and
- (c) any indebtedness of the Issuer which is an unrealised loss on hedging instruments as shown in the Issuer's Financial Statements for the financial year ending on that Test Date.

**"Financial Statements"** means:

- (a) in relation to a CCO Issuer, the audited financial statements the Issuer is required to produce pursuant to sections 67 to 69 of the Act; and
- (b) in relation to an Issuer that is a Local Authority, the audited financial statements the Issuer is required to produce pursuant to sections 98 and 99 of the Act.

**"Final Terms"** means:

- (a) in relation to a Series or Tranche of EC Securities, final terms in the form, or substantially in the form, of schedule 3; and
- (b) in relation to a Series or Tranche of any other Securities, a term sheet in the form, or substantially in the form, of schedule 5.

**"Further Principal Debt Release Request"** has the meaning given to it in the Guarantee.

**"GAAP"** means "generally accepted accounting practice" as defined in the Act.

**"Guarantee"** means the deed of guarantee and indemnity made by various Local Authorities in respect of the indebtedness of the Subscriber.

**"Guarantor"** means a guarantor under the Guarantee.

**"Indicative Terms Email"** means an email from the Subscriber to an Issuer setting out the indicative terms of Securities (other than pricing) that the Issuer may offer to issue to the Subscriber.

**"Insolvency Event"** means, in relation to a CCO Issuer or CCO Shareholder, any "Insolvency Event" specified in the relevant Accession Deed in relation to such person.

**"Issuer"** means a Local Authority set out in schedule 1 or any other Local Authority or CCO which is or becomes an Issuer in accordance with clauses 2.4 or 2A.4 (including a Local Authority that becomes an Issuer because it is a LA Shareholder (if applicable)).

**"Liquid Investments"** means, in relation to an Issuer on any Test Date:

- (a) Cash;
- (b) securities issued or fully guaranteed or fully insured by the New Zealand Government;
- (c) commercial paper or other debt securities which have a long-term rating of at least A- or a short-term rating of at least A-1 by Standard & Poor's Rating Group or an equivalent rating from either Moody's Investors Service Inc. or Fitch Ratings Limited (or their respective related companies); and
- (d) certificates of deposit of any registered bank which has outstanding debt securities rated as referred to in paragraph (c) above,

in each case legally and beneficially held by the Issuer and/or the Consolidated Group (as required in accordance with clause 7.5(a)), not subject to any security interest, and denominated and payable in NZ Dollars and as shown in the Financial Statements of the Issuer for the financial year ending on that Test Date.

**"Maximum Additional Spread"** means:

- (a) in relation to an issue of Floating Rate Securities which are not EC Securities, the maximum additional spread (expressed as a percentage (p.a.)) the Subscriber will (on the date the Final Terms are delivered pursuant to clause 4.1(a)(iii)) add to its own issuance margin in order to determine the Margin for the relevant Tranche or Series;
- (b) in relation to an issue of Fixed Rate Securities, the maximum additional spread (expressed as a percentage (p.a.)) the Subscriber will (on the date the Final Terms

are delivered pursuant to clause 4.1(a)(iii)) add to its own issuance margin in order to determine the "margin" component of the Interest Rate for the relevant Tranche or Series; and

- (c) in relation to an issue of Zero Coupon Securities, the maximum additional spread (expressed as a percentage (p.a.)) the Subscriber will (on the date the Final Terms are delivered pursuant to clause 4.1(a)(iii)) add to its own issuance margin in order to determine the annual yield for the relevant Tranche or Series,

in each case calculated in accordance with the methodology notified by the Subscriber to the Issuer on or prior to the date of the Indicative Terms Email which relates to that issue of Securities. In this definition, "**issuance margin**" has the meaning given to it in clause 4.6.

**"Net Debt"** means, in relation to an Issuer and any Test Date, the aggregate of all financing liabilities of the Issuer and/or the Consolidated Group (as required in accordance with clause 7.5(a)) as at that Test Date as shown in the Financial Statements of the Issuer for the financial year ending on that Test Date less Liquid Investments as at that Test Date.

**"Net Interest"** means, in relation to an Issuer for a financial year, an amount equal to all interest and financing costs incurred by the Issuer and/or the Consolidated Group (as required in accordance with clause 7.5(a)) for that financial year as shown in Financial Statements of the Issuer less:

- (a) interest income of the Issuer and/or the Consolidated Group (as required in accordance with clause 7.5(a)) for that financial year as shown in Financial Statements of the Issuer for that financial year; and
- (b) any interest paid by the Issuer during that financial year as shown in the Financial Statements of the Issuer for that financial year on EC Securities held by the Subscriber.

**"Notes Subscription Agreement"** means the agreement dated on or about the date of this deed between the Subscriber and various Local Authorities entitled "Notes Subscription Agreement".

**"Notice of Commitment"** means:

- (a) in relation to a Series or Tranche of EC Securities, a notice in the form, or substantially in the form, of schedule 6; and
- (b) in relation to a Series or Tranche of any other Securities, a Confirmation Email.



**"Offering Document"** means, on any date, each prospectus, investment statement, product disclosure statement, information memorandum or other offer document (howsoever described) prepared by, or on behalf and with the approval of, the Subscriber under which the Subscriber is offering or is able to offer debt instruments.

**"Policies"** has the meaning given to it in the Shareholders' Agreement.

**"Potential Event of Default"** means any event which, with the passing of time, or the giving of notice, or both, would constitute an Event of Default.

**"Redemption Notice"** has the meaning given to it in clause 7.6, 7.7, 7.8 or 7.9, as applicable.

**"Security Trustee"** has the meaning given in the Guarantee.

**"Shareholders' Agreement"** means the agreement dated on or about the date of this deed between the Principal Shareholders in relation to the Subscriber entitled "Shareholders' Agreement".

**"Shareholder Transaction Documents"** means, in relation to an Issuer that is a LA Shareholder:

- (a) the Guarantee;
- (b) the Equity Commitment Deed;
- (c) the accession deeds (if applicable) executed by the Issuer for the purposes of the Guarantee and the Equity Commitment Deed;
- (d) each Security Stock Certificate issued by it in respect of its obligations in respect of the Guarantee and the Equity Commitment Deed;
- (e) this deed, solely in its capacity as a LA Shareholder; and
- (f) each CCO Support Document.

**"Test Date"** means 30 June of each year or, in the case of a CCO Issuer, the date specified in the relevant Accession Deed.

**"Total Revenue"** means, in relation to an Issuer that is a Local Authority and for a financial year, the total cash operating revenue of the Issuer and/or the Consolidated Group (as required in accordance with clause 7.5(a)) for that financial year as shown in Financial Statements of the Issuer for that financial year including cash earnings from rates, Government grants and subsidiaries, user charges, interest, dividends and financial and

other revenue but not including non-Government capital contributions (such as developer contributions and vested assets).

**"Transaction Documents"** means:

- (a) in relation to an Issuer that is a Local Authority:
  - (i) this deed;
  - (ii) the Notes Subscription Agreement;
  - (iii) each Security Stock Certificate issued by it in respect of its obligations in respect of the Securities and under this deed and each of the Guarantee (if applicable), and the Equity Commitment Deed (if applicable);
  - (iv) if the Issuer is a Guarantor, or is required by the Subscriber in accordance with this deed, the Policies and/or required by the Shareholders' Agreement to become a Guarantor, each of the Guarantee and Equity Commitment Deed;
  - (v) the Accession Deed (if applicable);
  - (vi) any accession deed executed by the Issuer for the purposes of the Notes Subscription Agreement, the Guarantee (if applicable) and/or the Equity Commitment Deed (if applicable); and
  - (vii) any other document agreed by the Subscriber and the Issuer to be a Transaction Document; and
- (b) in relation to a CCO Issuer:
  - (i) this deed;
  - (ii) the Notes Subscription Agreement;
  - (iii) the Guarantee;
  - (iv) the Equity Commitment Deed;
  - (v) each Security Stock Certificate issued by a LA Shareholder in respect of its obligations in respect of each of the Guarantee, the Equity Commitment Deed and any CCO Support Document;
  - (vi) the Accession Deed;

- (vii) any accession deed executed by the CCO Issuer for the purposes of the Notes Subscription Agreement (if applicable);
- (viii) accession deeds (if applicable) to Guarantee and Equity Commitment Deed;
- (ix) each CCO Support Document; and
- (x) any other document agreed by the Subscriber and the CCO Issuer to be a Transaction Document.

**"Verified Statements"** has the meaning given to it in clause 7.4(a)(ii).

1.2 **Conditions:** Words and expressions defined in the Conditions and used in this deed shall have the same meanings in this deed, unless the context requires otherwise.

1.3 **Equity Commitment Deed:** Except to the extent the context requires otherwise, "Commitment Shares", "Exercise Notice", Exercise Price" and "Settlement Date" have the meanings given to them in the Equity Commitment Deed.

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

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 such period without such intervention or action.

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

something having a **"material adverse effect"** on a person is a reference to it having a material adverse effect on the financial condition or operations of that person which materially adversely affects the ability of that person to perform or comply with its obligations under any Transaction Document or any Security.

something being **"remedied"** means it is remedied to the satisfaction of the Subscriber.

1.5 **Miscellaneous:**

- (a) The introduction to and headings in this deed are inserted for convenience only and shall be ignored in construing this deed.
- (b) Unless the context otherwise requires words denoting only the singular number shall include the plural and vice versa and words denoting any gender shall include all genders.
- (c) References to any legislation or to any provision of any legislation are deemed to be references to that legislation or provision as from time to time amended, re-enacted or substituted and, unless the context otherwise requires, shall also include any statutory instruments issued under any such legislation or provision.
- (d) References to any document (however described) shall include references to such document as modified, novated, supplemented, varied or replaced from time to time.
- (e) References to any party to this deed or any other document shall include its successors or permitted assigns.
- (f) References to a time of day are references to New Zealand time unless otherwise stated.
- (g) Anything which may be done at any time may also be done from time to time.

## 2. ACCESSION OF LOCAL AUTHORITY AS AN ISSUER

2.1 **Local Authority to sign Accession Deed:** Subject to clause 2.2, a Local Authority which is not a Principal Shareholder may become an Issuer under this deed by completing and signing an Accession Deed and delivering it to the Subscriber.

2.2 **Conditions precedent to accession and issue of Securities:** A Local Authority shall not be entitled to sign and deliver an Accession Deed or to issue Securities under this deed unless and until the following conditions have been, to the satisfaction of the Subscriber, met:

- (a) the Local Authority is a party to or has acceded to the Notes Subscription Agreement;
- (b) if required by the Subscriber in accordance with the Policies and/or required by the Shareholders' Agreement, the Local Authority has become a Guarantor and is a party to or has acceded to the Equity Commitment Deed;

- (c) the Subscriber has confirmed that the Agency Agreement to be used by the Local Authority in relation to the Securities issued by it pursuant to this deed, and the identity of the paying agent, calculation agent and registrar appointed pursuant to that agreement, are acceptable to it;
- (d) the Local Authority has delivered to the Subscriber a certificate of compliance for the purposes of section 118 of the Act in relation to its entry into this deed, the Accession Deed (if applicable), the Notes Subscription Agreement, the Agency Agreement, the Guarantee (if applicable), the Equity Commitment Deed (if applicable) and the Security Stock Certificates and Security Stock issued in respect of this deed, the Guarantee (if applicable) and the Equity Commitment Deed (if applicable);
- (e) evidence that all necessary regulatory and statutory authorisations, consents, approvals and licences in relation to its entry into this deed, the Accession Deed (if applicable), the Notes Subscription Agreement, the issuance of the Security Stock Certificates and Security Stock issued in respect of this deed and the Securities (if applicable) and the issuance of the Securities from time to time (if applicable) have been obtained and are current and satisfactory;
- (f) the Subscriber has received a first ranking Security Stock Certificate evidencing that the Issuer's obligations under this deed are secured pursuant to the Debenture Trust Deed;
- (g) any additional eligibility criteria required by the Subscriber in accordance with the Policies have been satisfied;
- (h) in respect of the first issuance by an Issuer, it has notified the Subscriber of the amount of its Annual Rates Income for its immediately preceding financial year and a breakdown of the components included in its calculation of that amount, provided that this clause 2.2(h) shall not apply where an Issuer has previously delivered Financial Statements to the Subscriber in accordance with clause 7.3 which comply with clause 7.5(c);
- (i) the Subscriber has received a legal opinion from counsel acceptable to the Subscriber and in a form acceptable to the Subscriber relating to the Issuer's entry into this deed, the Accession Deed (if applicable), the Notes Subscription Agreement, the Guarantee (if applicable) and the Equity Commitment Deed (if applicable) and the issuance of the first ranking Security Stock and the first ranking Security Stock Certificate described at clause 2.2(f); and

- (j) any additional conditions specified by the Subscriber in the Accession Deed or separately notified in writing to the Issuer have been satisfied.

2.3 **Subscriber to countersign Accession Deed:** Subject to clause 2.2, on receipt of the document described in clause 2.1 in form and substance satisfactory to the Subscriber, the Subscriber shall:

- (a) countersign the counterpart of the Accession Deed;
- (b) enter the Accession Deed in a register kept by it (which shall be conclusive); and
- (c) retain one counterpart and deliver the other to the relevant Local Authority.

2.4 **Accession effective:** On an Accession Deed being countersigned by the Subscriber in accordance with clause 2.3, the Local Authority shall be bound by this deed as if it were a party hereto and named herein as an Issuer.

## 2A. ACCESSION OF CCO AS AN ISSUER

2A.1 **CCO to sign Accession Deed:** Subject to clause 2A.2, a CCO may become an Issuer under this deed by:

- (a) completing and signing; and
- (b) procuring each CCO Shareholder to sign,

an Accession Deed (in form and substance satisfactory to the Subscriber) and delivering it to the Subscriber.

2A.2 **Conditions precedent to accession and issue of Securities:** A CCO shall not be entitled to sign and deliver an Accession Deed or to issue Securities under this deed unless and until the following conditions have been, to the satisfaction of the Subscriber, met:

- (a) the CCO has acceded to the Notes Subscription Agreement;
- (b) each LA Shareholder is a party to or has acceded to this deed as an Issuer (in the manner contemplated by clauses 2.2 to 2.4 of this deed) and the Notes Subscription Agreement as a subscriber;
- (c) each LA Shareholder is or has become a Guarantor and is a party to or has acceded to the Equity Commitment Deed as a guarantor;
- (d) the Subscriber has confirmed that the Agency Agreement to be used by the CCO in relation to the Securities issued by it pursuant to this deed, and the identity of the

paying agent, calculation agent and registrar appointed pursuant to that agreement, are acceptable to it;

- (e) the CCO has delivered to the Subscriber a director's certificate in relation to its entry into this deed, the Accession Deed, the Notes Subscription Agreement, the Agency Agreement, the CCO Credit Support and the CCO Support Documents;
- (f) evidence that all necessary regulatory and statutory authorisations, consents, approvals and licences in relation to the CCO's entry into this deed, the Accession Deed, the Notes Subscription Agreement, the Agency Agreement, the CCO Credit Support and the CCO Support Documents and the issuance of Securities from time to time (if applicable) have been obtained and are current and satisfactory;
- (g) each CCO Shareholder has delivered to the Subscriber a director's certificate, or in the case of a LA Shareholder, a certificate of compliance for the purposes of section 118 of the Act, in relation to its entry into the Accession Deed, the CCO Credit Support and the CCO Support Documents;
- (h) in the case of a LA Shareholder, evidence that all necessary regulatory and statutory authorisations, consents, approvals and licences in relation to its entry into the CCO Credit Support and the CCO Support Documents have been obtained and are current and satisfactory;
- (i) any additional eligibility criteria required by the Subscriber in accordance with the Policies have been satisfied;
- (j) in respect of the first issuance by an Issuer, each LA Shareholder has notified the Subscriber of the amount of its Annual Rates Income for its immediately preceding financial year and a breakdown of the components included in its calculation of that amount, provided that this clause 2A.2(j) shall not apply where the LA Shareholder (as an Issuer) has previously delivered Financial Statements to the Subscriber in accordance with clause 7.3 which comply with clause 7.5(c);
- (k) the Subscriber has received a legal opinion from counsel acceptable to the Subscriber and in a form acceptable to the Subscriber relating to the CCO's entry into this deed, the Accession Deed, the Notes Subscription Agreement, the Agency Agreement, and any CCO Support Document (if applicable);
- (l) the Subscriber has received both the CCO Support Documents and the benefit of CCO Credit Support, in each case, in a form and substance satisfactory to the Subscriber (in its sole discretion);

- (m) the Subscriber has received a legal opinion from counsel acceptable to the Subscriber and in a form acceptable to the Subscriber relating to each CCO Shareholder's entry into each relevant CCO Support Document (if applicable);
- (n) each LA Shareholder is in compliance with each of the financial covenants in, or referred to in, clause 7.5; and
- (o) any additional conditions specified by the Subscriber in the Accession Deed or separately notified in writing to the Issuer have been satisfied.

2A.3 **Subscriber to countersign Accession Deed:** Subject to clause 2A.2, on receipt of the document described in clause 2A.1 in form and substance satisfactory to the Subscriber, the Subscriber shall:

- (a) countersign the counterpart of the Accession Deed;
- (b) enter the Accession Deed in a register kept by it (which shall be conclusive); and
- (c) retain one counterpart and deliver the other to the relevant CCO.

2A.4 **Accession effective:** On an Accession Deed being countersigned by the Subscriber in accordance with clause 2A.3, the CCO shall be bound by this deed as if it were a party hereto and named herein as an Issuer.

### 3. OFFERS AND SALES OF SECURITIES

3.1 **Agreement to issue:** Subject to the terms and conditions of this deed, each Issuer may from time to time agree with the Subscriber to issue, and the Subscriber may agree to subscribe for, Securities. If the relevant Issuer and the Subscriber agree on the terms upon which such Securities should be issued and subscribed then the relevant Issuer shall be obliged to issue and the Subscriber shall be obliged to subscribe the relevant Securities issued by the Issuer on the relevant Issue Date, on the basis of, and in reliance upon, the representations, warranties, undertakings and indemnities made or given or provided to be made or given pursuant to the terms of this deed, and otherwise on the terms so agreed.

3.2 **Offer and acceptance:** For the purposes of this deed (without limiting anything else in this deed), the issue of Securities under this deed shall (without more) be taken to be the result of an offer by the relevant Issuer to issue the Securities to the Subscriber, and an acceptance of that offer by the Subscriber.



- 3.3 **Several obligations:** The obligations of each Issuer under this deed are several. No Issuer shall be responsible for the obligations of any other Issuer under this deed. The rights of each Issuer under this deed are several.

#### 4. ISSUANCE PROCESS

##### 4.1 General procedure:

- (a) Except in the case of EC Securities or if the Subscriber and the relevant Issuer otherwise agree, an Issuer may not issue Securities pursuant to this deed unless:
  - (i) at least eight Business Days before the proposed Issue Date (or such later date as the Issuer and the Subscriber may agree), the Subscriber provides an Indicative Terms Email to the Issuer and, in the case of a CCO Issuer, with a copy to each LA Shareholder;
  - (ii) at least six Business Days before the proposed Issue Date (or such later date as the Issuer and the Subscriber may agree), the Issuer provides a Notice of Commitment to the Subscriber; and
  - (iii) at least three Business Days before the proposed Issue Date (or such later date as the Issuer and the Subscriber may agree), the Subscriber has agreed to subscribe for the Securities by signing and delivering the Final Terms for the Securities to the Issuer.
- (b) The Issuer shall counter-sign and deliver to the Subscriber a copy of the Final Terms no later than the proposed Issue Date, but failure to do so shall not affect the Issuer's obligation to issue the Securities on the proposed Issue Date and the terms set out in the Final Terms shall apply to the relevant Securities.

##### 4.2 Procedure for EC Securities: An Issuer may not issue EC Securities under this deed unless:

- (a) the Issuer has received an offer to subscribe for the EC Securities under clause 3.1 of the Equity Commitment Deed; and
- (b) not less than six Business Days before the Settlement Date for the related Commitment Shares, the Issuer provides a Notice of Commitment to the Subscriber,

whereupon the Subscriber promptly (and in any case not less than four Business Days before the proposed Issue Date) shall agree to subscribe for the EC Securities specified in

the Notice of Commitment by counter-signing and delivering to the Issuer a copy of the Notice of Commitment.

4.3 **[Not used]**

4.4 **Notice of Commitment:** A Notice of Commitment constitutes a binding, unconditional and irrevocable offer by the relevant Issuer to issue the Securities specified therein. Each Notice of Commitment in respect of EC Securities shall be accompanied by preliminary Final Terms for the proposed issuance of EC Securities, completed in all respects other than for pricing, and such Final Terms to be the same as the preliminary Final Terms that were sent to the Issuer by the Subscriber under clause 3.1 of the Equity Commitment Deed except that the Issuer may specify a lower aggregate Principal Amount and shorter Maturity Date.

4.5 **Acceptance by Subscriber:** Subject to clause 4.2, the Subscriber is not under any obligation whatsoever to accept an offer by an Issuer contained in a Notice of Commitment. The Subscriber signing and delivering the Final Terms to the relevant Issuer (in the case of Securities which are not EC Securities) or counter-signing and delivering to the relevant Issuer a copy of a Notice of Commitment (in the case of EC Securities) shall constitute a binding and irrevocable acceptance of the offer contained in the Notice of Commitment, subject only to the following conditions:

- (a) the Subscriber having received in a form and substance satisfactory to it:
  - (i) where the Issuer is a Local Authority, a first ranking Security Stock Certificate evidencing that the Issuer's obligations in relation to the proposed Tranche or Series are secured pursuant to the relevant Debenture Trust Deed (which may, at the Subscriber's absolute discretion, be a Security Stock Certificate evidencing that the Issuer's obligations in relation to all Securities issued by it under this deed are secured pursuant to the relevant Debenture Trust Deed); and
  - (ii) where the Issuer is a Local Authority, a certificate of compliance for the purposes of section 118 of the Act in relation to the proposed Tranche or Series and the issue of the relevant Security Stock and related Security Stock Certificate (if applicable);
  - (iii) where the Issuer is a CCO Issuer, a certificate from an Authorised Signatory of the CCO addressing (among other things) the issue of the proposed Tranche or Series;
- (b) there is no impediment to the issue to the Issuer of the related Borrower Notes (if applicable) under the Notes Subscription Agreement (including, without limitation,

due to the requirements of section 49 of the Companies Act 1993 and/or clause 15.4 of the Notes Subscription Agreement not being satisfied);

- (c) the Issuer has complied with the conditions specified in clause 2.2 or 2A.2 (as applicable) and any additional eligibility criteria required by the Subscriber in accordance with the Policies;
- (d) the representations and warranties set out in clause 6.1 (in the case of an Issuer that is a Local Authority) or 6.1A (in the case of a CCO Issuer) (as applicable) being true, accurate and correct in all material respects as of the Issue Date by reference to the facts and circumstances existing on that date;
- (e) no Event of Default, Potential Event of Default or Event of Review has occurred and is continuing in relation to the Issuer and no such event would occur on or after the Issue Date as a result of the Issuer issuing the Securities;
- (f) the Issuer, and (in the case of a CCO Issuer) each CCO Shareholder, is in compliance with this deed, the Notes Subscription Agreement, the Guarantee (if applicable), the Equity Commitment Deed (if applicable) and any CCO Support Document (if applicable); and
- (g) the Local Government Borrowing Act 2011 has not been amended or repealed other than to the satisfaction of the Subscriber.

#### 4.6 **Pricing:**

- (a) The Subscriber shall determine the pricing for each Tranche or Series of:
  - (i) EC Securities, on the Issue Date and shall notify the relevant Issuer of the pricing for the Tranche or Series on the Issue Date, following which the Final Terms for the Tranche or Series shall be updated to include the pricing information notified pursuant to this clause and each of the Issuer and the Subscriber shall sign the updated Final Terms; and
  - (ii) Securities which are not EC Securities, on the date the Final Terms are delivered pursuant to clause 4.1(a)(iii) and such pricing shall be set out in the Final Terms for that Tranche or Series.

The pricing decisions of the Subscriber shall be final and binding on the relevant Issuer.

- (b) When determining the pricing for each Tranche or Series of Securities for the purposes of clause 4.6(a), the Subscriber must not, unless the relevant Issuer

agrees otherwise, add an additional spread to its own issuance margin which exceeds:

- (i) in the case of EC Securities, the maximum additional spread notified in accordance with clause 3.1 of the Equity Commitment Deed; and
- (ii) in the case of Securities which are not EC Securities, the Maximum Additional Spread.

In this clause 4.6, "**issuance margin**" means the percentage rate (p.a.) (as determined by the Subscriber) over the applicable reference rate which is payable by the Subscriber in respect of the Borrowed Money Indebtedness it incurs to subscribe for the relevant Securities and includes all of the Subscriber's costs and expenses relating to that Borrowed Money Indebtedness (including, without limitation, dealer fees, commissions, listing fees and any Approved Issuer Levy which is or may be payable by the Subscriber under the terms of that Borrowed Money Indebtedness). In this clause 4.6, "**Approved Issuer Levy**" has the meaning given to it in the Conditions as if references to the "Issuer" were to the "Subscriber" and "any Security" were to the Subscriber's "Borrowed Money Indebtedness". Without limiting the Subscriber's right to make a determination as to the "issuance margin", the Subscriber may for the purposes of determining the Approved Issuer Levy component of the issuance margin estimate its likely costs in respect of any Approved Issuer Levy.

**4.7 Notices of Commitment after release:** Where an Issuer is (or was previously) a Guarantor and it has delivered a valid Further Principal Debt Release Request in accordance with clause 15 of the Guarantee:

- (a) it must immediately provide a copy of the Further Principal Debt Release Request to the Subscriber; and
- (b) neither it nor any CCO Issuer for which that Issuer is a LA Shareholder may, on and from the date of such Further Principal Debt Release Request, provide any Notice of Commitment under this deed.

**4.8 Settlement delay:** Other than where the conditions set out in clause 4.5 are not satisfied, in the event that the Subscriber pays the Issue Price for the Securities other than on the Issue Date ("**settlement delay**"):

- (a) unless the Subscriber agrees otherwise (in writing), each of the Issuer and the Subscriber shall issue the Securities and the Borrower Notes (if applicable) respectively on the Issue Date; and

- (b) the maximum amount payable by the Subscriber to the Issuer in respect of such settlement delay will be interest on the unpaid Issue Price of the Securities, such interest to accrue on a daily basis from the Issue Date until the unpaid Issue Price is paid at a rate per annum equal to the Reserve Bank of New Zealand official cash rate on the Issue Date. Accrued interest shall not be compounded and shall be paid by the Subscriber on the date the unpaid Issue Price is paid in full and final settlement of such settlement delay.

## 5. ISSUE AND CREATION

- 5.1 Securities are issued and created by the relevant Registrar entering in the Register the particulars of the Securities.

## 6. REPRESENTATIONS AND WARRANTIES

- 6.1 **Representations and warranties (in relation to Issuers that are Local Authorities):** Each Issuer that is a Local Authority represents and warrants to the Subscriber in relation to itself (as an Issuer) that:
  - (a) **Status:** it is either a territorial authority or regional council named as a local authority in Schedule 2 to the Act;
  - (b) **Power:** it has the power generally to enter into, exercise its rights and perform and comply with its obligations under this deed and the other Transaction Documents and to issue the Securities;
  - (c) **Authorisations:** it has taken all necessary action required on its part to authorise the entry into, execution and delivery of this deed and the other Transaction Documents and the issue of Securities and the performance of all obligations expressed to be binding on it;
  - (d) **Obligations legally binding:** its obligations under this deed, the other Transaction Documents and the Debenture Trust Deed and the Securities (when issued) constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to laws affecting creditors' rights generally and (as to enforceability) to equitable principles of general application);
  - (e) **No conflict:** neither the entry by it into, nor the performance by it of this deed and the other Transaction Documents or the issue of the Securities by it will:

- (i) conflict with or result in a breach of, any agreement, document, arrangement, obligation or duty to which it is a party or by which it or any of its assets may be bound; or
  - (ii) violate or contravene any law to which it is subject;
- (f) **Accounts:** its accounts have been prepared in accordance with the Act and any other applicable legislation or guidelines and are audited in accordance with any statutory requirements;
- (g) **No default:** except to the extent it has notified the Subscriber otherwise in writing, no Event of Default or Event of Review in relation to it has occurred and remains unremedied;
- (h) **Certificate of exemption:** it holds a valid certificate of exemption from resident withholding tax issued pursuant to section RE 27 of the Income Tax Act 2007 and sections 32E to 32I of the Tax Administration Act 1994 (or, on or after 1 April 2020, it has RWT-Exempt Status);
- (i) **Protected transaction:** for the purposes of section 117 of the Act, the entry by the Issuer into, and the performance by the Issuer of, this deed and the other Transaction Documents and the issue of Securities:
  - (i) is in compliance with the Act;
  - (ii) is not contrary to any provision of the Act;
  - (iii) is within the capacity, rights and powers of the Issuer; and
  - (iv) is for a purpose authorised by either the Act or another Act;
- (j) **Ranking of obligations:** its obligations under this deed and in respect of the Securities are secured by the Debenture Trust Deed and rank, and will at all times rank, rateably and at least equally in right and priority of payment with all other first ranking secured money under the Debenture Trust Deed;
- (k) **Offering material:** except to the extent it has advised the Subscriber otherwise in writing, all information it has provided to the Subscriber for the purposes of or, it has approved (in writing) for the inclusion in, any Offering Document is true, accurate and complete in all material respects and not misleading (including by omission) in any material respect; and

- (l) **Notes Subscription Agreement:** the warranties given by it at clause 4.5 of the Notes Subscription Agreement are true and accurate.

6.1A **Representations and warranties (in relation to CCO Issuers):** Except to the extent that the Subscriber and the relevant CCO Issuer agree otherwise in the relevant Accession Deed:

- (a) **CCO Issuer:** each CCO Issuer represents and warrants to the Subscriber in relation to itself (as a CCO Issuer) that:
- (i) **Status:**
    - (aa) it is a company duly incorporated and validly existing under the laws of New Zealand; and
    - (bb) it has the power to own its assets and carry on its business as it is being conducted;
  - (ii) **Power:** it has the power to enter into, exercise its rights and perform and comply with its obligations under this deed and the other Transaction Documents and to issue the Securities;
  - (iii) **Authorisations:** it has taken all necessary action required on its part:
    - (aa) to authorise the entry into, execution, delivery and performance of this deed and the other Transaction Documents, the transactions contemplated by those documents, the issue of Securities and the performance of all obligations expressed to be binding on it; and
    - (bb) for the validity and enforceability of the Transaction Documents and the effectiveness or priority of any security interest under any Transaction Document;
  - (iv) **Obligations legally binding:** its obligations under this deed, the other Transaction Documents and the Securities (when issued) constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to laws affecting creditors' rights generally and (as to enforceability) to equitable principles of general application);
  - (v) **No conflict:** neither the entry by it into, nor the performance by it of this deed and the other Transaction Documents or the issue of the Securities by it will:

- (aa) conflict with or result in a breach of:
  - (A) any agreement, document, arrangement, obligation or duty to which it is a party or by which it or any of its assets may be bound; or
  - (B) its constitutional documents; or
- (bb) violate or contravene any law to which it is subject;
- (vi) **Accounts:** its accounts have been prepared in accordance with the Act and any other applicable legislation or guidelines and are audited in accordance with any statutory requirements;
- (vii) **No default:** except to the extent it has notified the Subscriber otherwise in writing, no Event of Default or Event of Review in relation to it or each relevant LA Shareholder has occurred and remains unremedied;
- (viii) **Certificate of exemption:** it holds a valid certificate of exemption from resident withholding tax issued pursuant to section RE 27 of the Income Tax Act 2007 and sections 32E to 32I of the Tax Administration Act 1994 (or, on or after 1 April 2020, it has RWT-Exempt Status);
- (ix) **Offering material:** except to the extent it has advised the Subscriber otherwise in writing, all information it has provided to the Subscriber for the purposes of or, it has approved (in writing) for the inclusion in, any Offering Document is true, accurate and complete in all material respects and not misleading (including by omission) in any material respect;
- (x) **Notes Subscription Agreement:** the warranties given by it at clause 4.5 of the Notes Subscription Agreement are true and accurate;
- (xi) **Solvency:** no Insolvency Event has occurred in relation to it or any CCO Shareholder;
- (xii) **No proceedings pending or threatened:** no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a material adverse effect has or have (to the best of its knowledge and belief) been started or threatened against it;



- (xiii) **Immunity from suit:** it does not have, nor do any of its assets have, immunity from suit;
- (xiv) **Good title to assets:** it is the sole legal and beneficial owner of the property subject to the security interests created by any CCO Security, free from security interests other than a permitted security interest (as specified in the relevant Accession Deed);
- (xv) **Ranking of Security:** each CCO Security (if applicable) creates the security which it is expressed to create over the property to which it is expressed to apply, subject only to a permitted security interest (as specified in the relevant Accession Deed);
- (xvi) **Trustee:** it does not enter into any Transaction Document or hold any property as trustee;
- (xvii) **No misleading information:** to the best of its information, knowledge, and belief after having made due inquiry (but subject to the qualifications made when the relevant information is made available):
  - (aa) any factual information provided by or on behalf of it in writing in connection with the Transaction Documents and the transactions they contemplate was true and accurate in all material respects and not misleading in any material respect as at the date it was provided or as at the date (if any) at which it is stated;
  - (bb) any financial projections provided by it or on its behalf have been prepared on the basis of recent historical information and on the basis of reasonable assumptions; and
  - (cc) all copies of documents (including its latest Financial Statements and all authorisations) given by it or on its behalf to the Subscriber are true and complete copies as at the date they were given unless expressly specified otherwise; and
- (xviii) **Additional representations:** it makes any additional representations specified in the Accession Deed;
- (b) **LA Shareholders:** each LA Shareholder represents and warrants to the Subscriber that:
  - (i) **Status:** it is either a territorial authority or regional council named as a local authority in Schedule 2 to the Act;

- (ii) **Power:** it has the power generally to enter into, exercise its rights and perform and comply with its obligations under the Shareholder Transaction Documents;
- (iii) **Authorisations:** it has taken all necessary action required on its part:
  - (aa) to authorise the entry into, execution, delivery and performance of the Shareholder Transaction Documents, the transactions contemplated by those documents and the performance of all obligations expressed to be binding on it under those documents; and
  - (bb) for the validity and enforceability of the Shareholder Transaction Documents and the effectiveness or priority of any security interest under any Shareholder Transaction Document;
- (iv) **Protected transaction:** for the purposes of section 117 of the Act, the entry by the LA Shareholder into, and the performance by the LA Shareholder of, the Shareholder Transaction Documents:
  - (aa) is in compliance with the Act;
  - (bb) is not contrary to any provision of the Act;
  - (cc) is within the capacity, rights and powers of the LA Shareholder; and
  - (dd) is for a purpose authorised by either the Act or another Act;

provided that the Subscriber acknowledges that section 117 of the Act does not apply to any CCO Guarantee given by a LA Shareholder in respect of a CCO Issuer;
- (v) **Ranking of obligations:** its obligations in respect of any CCO Guarantee it has given in relation to the CCO Issuer are secured by the Debenture Trust Deed and rank, and will at all times rank, rateably and at least equally in right and priority of payment with all other first ranking secured money under the Debenture Trust Deed;
- (vi) **Obligations legally binding:** its obligations under the Shareholder Transaction Documents and the Debenture Trust Deed constitute its legal, valid and binding obligations, enforceable in accordance with their

respective terms (subject to laws affecting creditors' rights generally and (as to enforceability) to equitable principles of general application);

- (vii) **No conflict:** neither the entry by it into, nor the performance by it of the Shareholder Transaction Documents will:
  - (aa) conflict with or result in a breach of any agreement, document, arrangement, obligation or duty to which it is a party or by which it or any of its assets may be bound; or
  - (bb) violate or contravene any law to which it is subject; and
- (viii) **Additional representations:** it makes any additional representations in relation to an LA Shareholder specified in the Accession Deed.

6.2 **Repetition:** The representations and warranties contained in clauses 6.1 and 6.1A shall be deemed to be repeated by each Issuer and, where the Issuer is a CCO Issuer, each relevant LA Shareholder for the benefit of the Subscriber on each Issue Date in respect of each Series or Tranche issued by the Issuer.

## 7. UNDERTAKINGS

7.1 **General undertakings in respect of Local Authority Issuers:** Each Issuer that is a Local Authority undertakes to the Subscriber that it will, for so long as any Series issued by it is outstanding:

- (a) **Notify the Subscriber:** after having actual notice, promptly notify the Subscriber of:
  - (i) the occurrence of any Event of Default, Potential Event of Default or Event of Review in relation to it and, upon receipt of a request to that effect, shall confirm in writing signed by an Authorised Signatory that except as previously notified to the Subscriber no Event of Default, Potential Event of Default or Event of Review has occurred in relation to it;
  - (ii) each change in its Authorised Signatories, giving specimen signatures and evidence satisfactory to the Subscriber of the authority of each new Authorised Signatory;

- (iii) each actual or potential invalidity or unenforceability of this deed, the other Transaction Documents or the Debenture Trust Deed, or any provision hereof or thereof;
  - (iv) subject to the Act and the Local Government Official Information and Meetings Act 1987:
    - (aa) any event or series of events, whether related or not, or any circumstances arise or exist, which may have a material adverse effect on the Issuer or its ability to perform its obligations under this deed, the other Transaction Documents, the Debenture Trust Deed or the Securities; and
    - (bb) any change to the Act which may adversely affect the rights of a party lending to the Issuer or any receiver appointed by that party;
- (b) **Register:** cause the Registrar for that Series to keep the Register for the Series pursuant to the Agency Agreement;
- (c) **Agency Agreement:** comply with and perform all obligations under the Agency Agreement and not:
  - (i) terminate or enter into a new Agency Agreement;
  - (ii) modify any terms within an Agency Agreement; or
  - (iii) appoint, terminate or replace or consent to any replacement of a registrar, calculation agent or paying agent under an Agency Agreement,

without the Subscriber's prior written consent (such consent to not be unreasonably withheld or delayed);
- (d) **Validity:** take all steps required under any applicable law to enable it to perform and comply fully with its obligations under this deed, the other Transaction Documents, the Debenture Trust Deed or the Securities or required on its part for the validity or enforceability of this deed, the other Transaction Documents, the Debenture Trust Deed and the Securities;
- (e) **Compliance with law:** duly comply with all laws except to the extent that, in its reasonable opinion, it determines that non-compliance is not material to the business or financial condition of the Issuer;

- (f) **Information on request:** subject to the Act and the Local Government Official Information and Meetings Act 1987, on request by the Subscriber, promptly provide the Subscriber any information which the Subscriber reasonably requires with respect to matters relating to the Financial Statements, other records of the Issuer and the financial position of the Issuer;
- (g) **Other information:** provide the Subscriber with copies of all information provided to the Trustee under the reporting covenants provisions in the Debenture Trust Deed;
- (h) **Ranking of obligations:** ensure that its obligations under this deed and in respect of the Securities are secured by the Debenture Trust Deed and rank, and will at all times rank, rateably and at least equally in right and priority of payment with all other first ranking secured money under the Debenture Trust Deed;
- (i) **New Security Stock Certificates:** where the Subscriber has sold some or all of the Securities held by it, at the Subscriber's request and subject to the Subscriber delivering to the Issuer for cancellation the existing Security Stock Certificate for the relevant Securities, issue and deliver to each of the Subscriber and the new Holder (as applicable) a new first ranking Security Stock Certificate (in a form acceptable to the Subscriber or the Holder (as applicable) acting reasonably) evidencing that the Issuer's obligations in relation to the Securities held by each of the Subscriber and Holder (as applicable) are secured pursuant to its Debenture Trust Deed. In the case of Securities lodged in NZClear, the references in this clause 7.1(i) to "Holder" shall be deemed to be the new holder of the beneficial interest in the Security (as shown in the records of NZClear). Where the Issuer delivers any such new Security Stock Certificate it shall also deliver a certificate of compliance for the purposes of section 118 of the Act in relation to each new Security Stock Certificate. Subject to the relevant Debenture Trust Deed, where the Subscriber is holding a Security Stock Certificate evidencing that the Issuer's obligations in relation to all Securities issued by it under this deed are secured pursuant to the relevant Debenture Trust Deed, the Issuer's obligation under this clause 7.1(i) to deliver a new first ranking Security Stock Certificate to the new Holder shall not be subject to the Subscriber delivering that Security Stock Certificate to the Issuer for cancellation; and
- (j) **Debenture Trust Deed:** not terminate or enter into a new Debenture Trust Deed, or modify any terms within the Debenture Trust Deed, without the Subscriber's prior written consent (such consent to not be unreasonably withheld or delayed);

7.1A **General undertakings in respect of CCO Issuers:** Except to the extent that the Subscriber and the relevant Issuer agree otherwise in the relevant Accession Deed:

- (a) **CCO Issuers:** each CCO Issuer undertakes to the Subscriber that it will, for so long as any Series issued by it is outstanding:
  - (i) **Notify the Subscriber:** after having actual notice, promptly notify the Subscriber of:
    - (aa) the occurrence of any Event of Default, Potential Event of Default or Event of Review in relation to it or its LA Shareholder and, upon receipt of a request to that effect, shall confirm in writing signed by an Authorised Signatory that except as previously notified to the Subscriber no Event of Default, Potential Event of Default or Event of Review has occurred in relation to it or its LA Shareholder;
    - (bb) each change in its Authorised Signatories, giving specimen signatures and evidence satisfactory to the Subscriber of the authority of each new Authorised Signatory;
    - (cc) each actual or potential invalidity or unenforceability of this deed, the other Transaction Documents, or any provision hereof or thereof;
    - (dd) any event or series of events, whether related or not, or any circumstances arise or exist, which may have a material adverse effect on the Issuer or any CCO Shareholder or its or any CCO Shareholder's ability to perform its obligations under this deed, the other Transaction Documents, the Debenture Trust Deed or the Securities;
    - (ee) any change to the Act, its constitution or any applicable law which may adversely affect the rights of a party lending to the Issuer or any receiver appointed by that party;
    - (ff) any proposed change to a CCO Shareholder;
    - (gg) any change or potential change to whether the Issuer is a CCO or a council-controlled trading organisation (as defined in the Act);

(ii) **Register:** cause the Registrar for that Series to keep the Register for the Series pursuant to the Agency Agreement;

(iii) **Agency Agreement:** comply with and perform all obligations under the Agency Agreement and not:

(aa) terminate or enter into a new Agency Agreement;

(bb) modify any terms within an Agency Agreement; or

(cc) appoint, terminate or replace or consent to any replacement of a registrar, calculation agent or paying agent under an Agency Agreement,

without the Subscriber's prior written consent (such consent to not be unreasonably withheld or delayed);

(iv) **Validity:** take all steps required under any applicable law to enable it to perform and comply fully with its obligations under this deed, the other Transaction Documents or the Securities or required on its part for the validity or enforceability of this deed, the other Transaction Documents and the Securities;

(v) **Compliance with law:** duly comply with all laws except to the extent that non-compliance is not material to the business or financial condition of the Issuer;

(vi) **Information on request:** on request by the Subscriber, promptly provide the Subscriber any information which the Subscriber reasonably requires with respect to matters relating to the Financial Statements, other records of the Issuer and the financial position of the Issuer;

(vii) **Authorisations:** promptly:

(aa) obtain, comply with and do all that is necessary to maintain in full force and effect; and

(bb) supply certified copies to the Subscriber of,

any authorisation required to perform its obligations under the Transaction Documents and to ensure the legality, validity, enforceability or admissibility in evidence of any Transaction Document and any material authorisation required for it to carry on its business;

- (viii) **Disposals:** not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset other than a permitted disposal (as specified in the relevant Accession Deed);
- (ix) **Merger:** not enter into any amalgamation, demerger, merger or corporate reconstruction other than a permitted merger (as specified in the relevant Accession Deed) or as permitted by the exceptions in clause 10.1A(h) of the Conditions;
- (x) **Change of business:** procure that no material change is made to the general nature of its business from that carried on when it acceded to this deed;
- (xi) **Insurance:** take out and maintain insurances with a reputable insurer in the manner and to the extent which is in accordance with prudent business practice having regard to the nature of its business and its assets (including all insurance required by applicable law), and ensure that the security interest created under any CCO Security is noted and maintained on each such policy (in accordance with usual market practice and excluding policies relating to employer's liability, workers compensation, public liability, product liability, directors and officers insurance, or any other insurance policy taken out for the benefit of a third party payee);
- (xii) **Restrictions on Distributions and other transactions:** not:
  - (aa) pay or make any Distribution, other than a permitted Distribution (as specified in the relevant Accession Deed);
  - (bb) reduce or pass a resolution to reduce its capital;
  - (cc) acquire any of its own equity securities (unless it is required to do so by law);
  - (dd) redeem any of its own equity securities which are redeemable at its option (whether or not they are also redeemable at the option of their holder);
  - (ee) alter or allow to be altered any term attaching to any of its own equity securities, in a manner which would cancel or reduce the



- liability of any shareholder in relation to an equity security held prior to that alteration;
- (ff) amend its constitutional documents or allow them to be amended in any manner which would be likely to have a prejudicial effect on the Subscriber; or
  - (gg) move any of its property outside New Zealand other than in the ordinary course of ordinary business;
  - (xiii) **Financial accommodation:** not provide financial accommodation, give a guarantee or indemnity or incur or permit to remain outstanding obligations to support any third party except permitted financial accommodation (as specified in the relevant Accession Deed);
  - (xiv) **Pay taxes:** file all tax returns as required by law, and pay and discharge all taxes, assessments and governmental charges payable by it or on its assets prior to the date upon which penalties become payable, except only to the extent that those taxes, assessments or governmental charges are being contested in good faith by appropriate proceedings and adequate reserves and/or credit lines are set aside for their payment;
  - (xv) **Acquisitions:** not:
    - (aa) acquire any assets or make any other investment other than in the ordinary course of business; or
    - (bb) acquire any equity securities or business,
 other than a permitted acquisition (as specified in the relevant Accession Deed);
  - (xvi) **Corporate existence:** maintain its corporate existence (except as permitted by the exceptions in clause 10.1A(h) of the Conditions);
  - (xvii) **Maintenance of assets:** maintain the property subject to any CCO Security in the manner that would be expected by a prudent person carrying on the Issuer's business;
  - (xviii) **Arm's length dealings:** not enter into any transaction of any nature with, or for the benefit of, any person except on arm's length commercial terms;

- (xix) **Access:** if an Event of Default is continuing, permit the Subscriber and/or accountants or other professional advisers and contractors of the Subscriber free access at all reasonable times and on reasonable notice at the risk and cost of the Issuer to (i) its premises, assets, books, accounts and records and/or (ii) meet and discuss matters with its senior management for the purposes of monitoring compliance with the Transaction Documents;
- (xx) **Amendments to CCO Support Documents:** where the Subscriber intends to sell or has sold some or all of the Securities held by it, at the Subscriber's request:
  - (aa) agree to and execute amendments (and procure the agreement and execution of any other party) to any CCO Support Document such that the Subscriber and the new Holder (as applicable) both receive the benefit of the CCO Support Documents and the CCO Credit Support as received by the Subscriber under clause 2A; and
  - (bb) deliver a legal opinion from counsel acceptable to the Subscriber and in a form acceptable to the Subscriber relating to the Issuer and each CCO Shareholder's entry into each relevant CCO Support Document (including as amended pursuant to clauses 7.1A(a)(xx) or 7.1A(b)(ii)).

In the case of Securities lodged in NZClear, the references in this clause 7.1(a)(xx) to "Holder" shall be deemed to be the new holder of the beneficial interest in the Security (as shown in the records of NZClear); and

- (xxi) **Accession Deed:** comply with any other undertakings given by it set out in the relevant Accession Deed; and
- (b) **LA Shareholder:** each LA Shareholder undertakes to the Subscriber that it will, for so long as any Series issued by a relevant CCO Issuer is outstanding:
  - (i) **Ranking of obligations:** ensure that its obligations under any CCO Guarantee it has given in relation to a CCO Issuer are secured by the relevant Debenture Trust Deed and rank, and will at all times rank, rateably and at least equally in right and priority of payment with all other first ranking secured money under that Debenture Trust Deed;

- (ii) **Amendments to CCO Support Documents:** where the Subscriber intends to sell or has sold some or all of the Securities issued by the relevant CCO Issuer held by the Subscriber, at the Subscriber's request, agree to and execute amendments to any CCO Support Documents such that the Subscriber and the new Holder (as applicable) both receive the benefit of the CCO Support Documents and the CCO Credit Support as received by the Subscriber under clause 2A. In the case of Securities issued by the relevant CCO Issuer and lodged in NZClear, the references in this clause 7.1A(b)(ii) to "Holder" shall be deemed to be the new holder of the beneficial interest in the Security (as shown in the records of NZClear);
- (iii) **Notify the Subscriber:** after having actual notice, promptly notify the Subscriber of:
  - (aa) the occurrence of any Event of Default, Potential Event of Default or Event of Review in relation to a relevant CCO Issuer and, upon receipt of a request to that effect, shall confirm in writing signed by an Authorised Signatory that, except as previously notified to the Subscriber, no Event of Default, Potential Event of Default or Event of Review has occurred in relation to a relevant CCO Issuer;
  - (bb) each actual or potential invalidity or unenforceability of the Shareholder Transaction Documents, the Debenture Trust Deed or any provision thereof;
  - (cc) subject to the Act and the Local Government Official Information and Meetings Act 1987:
    - (A) any event or series of events, whether related or not, or any circumstances arise or exist, which may have a material adverse effect on the LA Shareholder or its ability to perform its obligations under the Shareholder Transaction Documents or the Debenture Trust Deed;
    - (B) any change to the Act which may adversely affect the rights of a party lending to the relevant CCO Issuer or any receiver appointed by that party; and

(C) any event or series of events, whether related or not, or any circumstances arise or exist, which may have a material adverse effect on the relevant CCO Issuer or its ability to perform its obligations under this deed, the other Transaction Documents (in relation to that CCO Issuer) or the Securities (issued by that CCO Issuer);

(dd) any change or potential change to whether a CCO Issuer is a CCO or a council-controlled trading organisation (as defined in the Act);

- (iv) **Validity:** take all steps required under any applicable law to enable it to perform and comply fully with its obligations under the Shareholder Transaction Documents or required on its part for the validity or enforceability of the Shareholder Transaction Documents;
- (v) **Compliance with law:** duly comply with all laws except to the extent that, in its reasonable opinion, it determines that non-compliance is not material to its business or financial condition;
- (vi) **Information on request:** subject to the Act and the Local Government Official Information and Meetings Act 1987, on request by the Subscriber, promptly provide the Subscriber any information which the Subscriber reasonably requires with respect to matters relating to records of the relevant CCO Issuer and the financial position of the relevant CCO Issuer;
- (vii) **Other information:** provide the Subscriber with copies of all information provided to the Trustee under the reporting covenants provisions in the Debenture Trust Deed;
- (viii) **Debenture Trust Deed:** not terminate or enter into a new Debenture Trust Deed, or modify any terms within the Debenture Trust Deed, without the Subscriber's prior written consent (such consent to not be unreasonably withheld or delayed); and
- (ix) **Accession Deed:**
  - (aa) comply with all undertakings given by it in the relevant Accession Deed; and

- (bb) use its reasonable endeavours to procure each relevant CCO Issuer complies with all undertakings given by it under this deed and the relevant Accession Deed.

7.2 **Financial records:** Each Issuer undertakes to the Subscriber to keep proper books of account as required pursuant to the Act and to have such accounts audited, in each case in accordance with all applicable legislation, and (subject to the Act and the Local Government Official Information and Meetings Act 1987 (if applicable)) permit the Subscriber to have access to such accounts (and any other information relating to the financial position of the Issuer) on the provision of reasonable prior notice.

7.3 **Financial Statements:** Each Issuer undertakes to the Subscriber that it will deliver to the Subscriber:

- (a) not later than five months after the end of each of its financial years a copy of the latest Financial Statements for the preceding financial year; and
- (b) if it produces financial statements for a financial half-year, not later than three months after the end of each of its financial half-years, a copy of the latest financial statements for the preceding half-year, such financial statements not required to be audited.

7.4 **Offer documents:** Each Issuer undertakes to the Subscriber that:

- (a) it will promptly:
  - (i) and in any event within 15 Business Days following receipt of a request from the Subscriber, provide the Subscriber with all information in relation to itself which the Subscriber reasonably requests for the purposes of preparing an offering document. The information provided by the Issuer under this clause 7.4(a)(i) and clause 7.4(b) being, "**Disclosure Information**"; and
  - (ii) in any event within 10 Business Days following receipt of a draft offering document from the Subscriber, (acting reasonably and in writing) approve, or provide suggested amendments to, statements in the draft offering document relating to the Issuer, as identified in writing by the Subscriber when providing the draft offering document to the Issuer ("**Verified Statements**"). Nothing in this clause 7.4 entitles the Issuer to suggest amendments to any statement in a draft offering document other than those which relate to itself; and

(b) if it becomes aware of any event having occurred as a result of which any Verified Statement or Disclosure Information would:

- (i) be false or misleading, or likely to mislead;
- (ii) not be true and accurate in all material respects; or
- (iii) omit any fact in relation to the Issuer the omission of which would make misleading in any material respect any Verified Statement or Disclosure Information,

it will promptly notify the Subscriber and provide the Subscriber with any information required by the Subscriber in order to amend or supplement the relevant Offering Document within 10 Business Days of receipt of a request from the Subscriber. The provisions of clause 7.4(a)(ii) shall apply to any draft amendment or supplement to any Offering Document as if such document was a "draft offering document", provided that the timeframe in clause 7.4(a)(ii) shall be deemed to be 5 Business Days.

**7.5 Financial Covenants:** Each Issuer shall:

(a) in the case of an Issuer that is a Local Authority, procure that as at each Test Date for the financial year ending on that Test Date:

- (i) the ratio that Net Debt bears to Total Revenue expressed as a percentage does not exceed 175%;
- (ii) the ratio that Net Interest bears to Total Revenue expressed as a percentage does not exceed 20%;
- (iii) the ratio that Net Interest bears to Annual Rates Income expressed as a percentage does not exceed 25%; and
- (iv) the ratio that Available Financial Accommodation bears to External Indebtedness expressed as a percentage is not less than 110%,

or such other percentages applicable to the Issuer (including percentages contemplated by the foundation policies of the Subscriber) as agreed in writing by the Issuer and the Subscriber from time to time. The financial covenants in this clause 7.5(a) must be tested on the Issuer only, provided that:

- (A) where the Issuer is also a LA Shareholder, the financial covenants must be tested on both the Issuer and Consolidated

Group basis, however in such circumstance there is no consequence to the Issuer for any breach of the financial covenants when tested on a Consolidated Group basis; and

(B) subject to clause 7.5(a)(iv), where agreed in writing by the Subscriber and the Issuer, the financial covenants must be tested on a Consolidated Group basis only;

- (ab) in the case of a CCO Issuer, comply with the financial covenants (if any) specified in the relevant Accession Deed as at each Test Date for the financial year ending on that Test Date or such other covenants applicable to the Issuer as agreed in writing by the Issuer and the Subscriber from time to time;
- (b) on the same date as it delivers its Financial Statements to the Subscriber pursuant to clause 7.3(a) deliver to the Subscriber a completed Compliance Certificate signed by an Authorised Signatory of the Issuer in respect of the relevant Test Date. Each such Compliance Certificate shall certify as to the Issuer's compliance with the financial covenants in, or referred to in, this clause 7.5 as at the relevant Test Date and contain reasonably detailed calculations detailing compliance with the financial covenants. Where the Subscriber and the Issuer agree alternative percentages in accordance with clause 7.5(a) or 7.5(ab), they may also agree alternative and/or additional reporting requirements from those provided for by this clause 7.5(b); and
- (c) in the case of an Issuer that is a Local Authority, include within its Financial Statements (which may include the notes thereto) its Annual Rates Income as a separate identifiable amount.

**7.6 Redemption following breach of Financial Covenants:** If an Issuer breaches any of the financial covenants in, or referred to in, clause 7.5, the Subscriber may by notice to the Issuer require that the Subscriber and the Issuer enter into negotiations in good faith with a view to agreeing terms on which the Subscriber is prepared to continue to subscribe for, or hold, Securities issued by the Issuer under this deed. If after 30 days from the date of the notice the Subscriber and the Issuer have not agreed upon such terms, the Subscriber may, by giving written notice ("**Redemption Notice**") to the Issuer, require the Issuer to redeem all Securities issued by the Issuer that are at that time held by the Subscriber in full together with accrued and unpaid interest thereon on the date specified in the Redemption Notice (such date to be not less than 5 Business Days after the date of the notice). A failure to comply with the Redemption Notice shall constitute an Event of Default in respect of that Issuer, in which case the Subscriber shall be entitled to exercise its rights as a Holder under clause 10.2 of the Conditions applicable to that Issuer's Securities.

- 7.7 **Redemption of EC Securities:** If the board of directors of the Subscriber determines there is a risk of imminent default by the Subscriber under the terms of any of its Borrowed Money Indebtedness, the Subscriber may, by giving written notice to each Issuer with outstanding EC Securities ("**Redemption Notice**"), require each Issuer to redeem such number of EC Securities (as is determined by the Subscriber) issued by that Issuer that are at that time held by the Subscriber in full together with accrued and unpaid interest thereon on the date specified in the Redemption Notice (such date to be not less than 10 Business Days after the date of the notice). If a Redemption Notice is given in accordance with this clause 7.7, the redemption shall be required proportionately across all EC Securities so that the proportionate amount of EC Securities held by the Subscriber from each Issuer remains unchanged following the redemption (unless all EC Securities are redeemed). A failure by an Issuer to comply with the Redemption Notice shall constitute an Event of Default in respect of such Issuer, in which case the Subscriber shall be entitled to exercise its rights as a Holder under clause 10.2 of the Conditions.
- 7.8 **Redemption in relation to CCO Issuer:** Except to the extent that the Subscriber and the relevant CCO Issuer agree otherwise in the relevant Accession Deed, if, whether or not within the control of the CCO Issuer, any one or more of the following occurs:
- (a) **Change of control:** in the opinion of the Subscriber, due to a change in law or otherwise (including a change in CCO Shareholder) the creditworthiness of a party to a CCO Support Document (including any CCO Shareholder) is materially weaker immediately after such change; or
  - (b) **Breach of representation:** any representation or warranty made or deemed to be made by the Issuer or a CCO Shareholder in or pursuant to any Transaction Document or Shareholder Transaction Document or in any notice, certificate, statement or other document contemplated by or made or delivered pursuant to any Transaction Document or Shareholder Transaction Document is or was untrue or incorrect in any material respect when made, deemed to be repeated or delivered, and if capable of being remedied in the opinion of the Subscriber, has not been remedied within 30 days after receipt by the Issuer of a notice in writing from the Subscriber specifying the relevant representation or warranty and requiring it to be remedied; or
  - (c) **Breach of undertakings:** the Issuer or CCO Shareholder commits any breach of, or omits to observe, any of its undertakings or obligations under any Transaction Document or a Shareholder Transaction Document (but in each case excluding any CCO Support Document, which is addressed at clause 10.1A(b) of the Conditions) 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 after



receipt by the Issuer of a notice in writing from the Subscriber specifying the breach or omission and requiring it to be remedied; or

- (d) **Additional termination event:** an additional termination event specified by the Subscriber in a relevant Accession Deed occurs in respect of that Issuer or the relevant LA Shareholder,

then the Subscriber may, by giving written notice ("**Redemption Notice**") to the Issuer, require the Issuer to redeem all Securities issued by the Issuer that are at that time held by the Subscriber in full together with accrued and unpaid interest thereon on the date specified in the Redemption Notice (such date to be not less than 5 Business Days after the date of the notice). A failure to comply with the Redemption Notice shall constitute an Event of Default in respect of that Issuer, in which case the Subscriber shall be entitled to exercise its rights as a Holder under clause 10.2 of the Conditions applicable to that Issuer's Securities.

- 7.9 **Redemption in relation to cross-default:** Except to the extent that the Subscriber and the relevant CCO Issuer agree otherwise in the relevant Accession Deed or as otherwise agreed in writing with the Subscriber, if, whether or not within the control of the Issuer, any one or more of the following occurs:

- (a) any financial indebtedness of the Issuer owed to the Subscriber is not paid when due nor within any originally applicable grace period; or
- (b) any financial indebtedness of the Issuer owed to the Subscriber is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an enforcement event, event of default or review event (however described),

then the Subscriber may, by giving written notice ("**Redemption Notice**") to the Issuer, require the Issuer to redeem all Securities issued by the Issuer that are at that time held by the Subscriber in full together with accrued and unpaid interest thereon on the date specified in the Redemption Notice (such date to be not less than 5 Business Days after the date of the notice). A failure to comply with the Redemption Notice shall constitute an Event of Default in respect of that Issuer, in which case the Subscriber shall be entitled to exercise its rights as a Holder under clause 10.2 of the Conditions applicable to that Issuer's Securities.

## 8. PAYMENT FOR EC SECURITIES

- 8.1 On the Issue Date for each Tranche of EC Securities, unless the Subscriber and the relevant Issuer agree otherwise, the Subscriber's obligation to pay the aggregate Issue Price for the Tranche of EC Securities automatically shall be set-off against the Issuer's obligation to pay the Exercise Price for the related Commitment Shares under the Equity Commitment Deed.

## 9. REBATES

- 9.1 The Subscriber may, at its discretion, in accordance with the rebate policy (if any) contained in the Policies, rebate to an Issuer all or part of the interest received by the Subscriber from the Issuer in relation to Securities issued by the Issuer under this deed. The Subscriber shall be under no obligation whatsoever to make any such rebate.

## 10. ISSUER INDEMNITY

- 10.1 **Indemnities:** Each Issuer indemnifies the Subscriber against any expense, damage, liability or loss arising from, and any costs incurred (as to which a certificate of the Subscriber shall in the absence of manifest or proven error be conclusive) in connection with (including any loss incurred by the Subscriber in terminating arrangements it has made with others to fund (or maintain its funding of) its subscription of the Securities):

- (a) the Issuer failing to issue Securities by reason of non-fulfilment of any of the conditions in clause 4.5; or
- (b) any amount payable by the Issuer under this deed not being paid when due; or
- (c) the occurrence or continuance of any other Event of Default in respect of the Issuer; or
- (d) the receipt or recovery by the Subscriber of all or any part of any amount payable by the Issuer hereunder (by prepayment or acceleration or otherwise) otherwise than on the due date relating to such amount; or
- (e) any actual or alleged breach by the Issuer of any representation, warranty or undertaking set out in this deed.

- 10.2 **Payment of indemnity:** Each Issuer agrees to pay all amounts due under this indemnity on demand from the Subscriber.

- 10.3 **Separate Obligations:** The indemnities in this clause 10 shall respectively:

- (a) constitute obligations separate and independent from each other and the other obligations under this deed;
- (b) give rise to separate and independent causes of action; and
- (c) continue in full force and effect despite any judgment, order, claim or proof for any liquidated amount under this deed or any judgment or order.

10.4 **No prejudice:** Save as expressly agreed by the Subscriber, no release, delay, forbearance, compromise or any other indulgence given by the Subscriber to the Issuer or any amendment, alteration or other variation of any provisions of this deed shall discharge, release, prejudice or affect the liability of the Issuer under this clause 10.

10.5 **Irrevocability:** This clause 10 is unconditional and irrevocable and, save as expressly agreed in writing by the Subscriber, is not to be discharged or impaired by any act, omission, matter or thing that might discharge or impair it, but for this clause.

## 11. NOTICES

11.1 **Writing:** 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 email or letter and be signed by the sender or an authorised officer or signatory of the sender;
- (b) **Address:** be given or made to the recipient at the address or email address, and marked for the attention of the person (if any), from time to time designated by the recipient to the other for the purposes of this deed;
- (c) **Deemed delivery:** not be effective until received by the recipient, and any such notice or communication shall be deemed to be received:
  - (i) (if given or made by letter) when left at the address of the recipient or 5 Business Days after being put in the post, postage prepaid, and addressed to the recipient at that address; or
  - (ii) (if given or made by email) when dispatched in tangible, readable form by the sender to the email address advised by the recipient from time to time,

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

11.2 **Initial address and numbers:** The initial address, email address and person (if any) designated for the purposes of this deed, are set out below:

(a) **The Issuers:** those details set out under the heading "Details for notices" for the relevant Issuer in schedule 1 or otherwise provided in the relevant Accession Deed.

(b) **The Subscriber:**  
 City Chambers  
 Level 8  
 142 Featherston Street  
 PO Box 5704  
 Wellington 6145

Email: lgfa@lgfa.co.nz

Attention: Chief Executive

## 12. AMENDMENTS

12.1 This deed shall not be amended except with the written agreement of the Subscriber and all of the Issuers.

## 13. MISCELLANEOUS

13.1 **Waivers and remedies:** Time shall be of the essence in this deed but no delay in acting, or failure to act, by the Subscriber or the Issuer is a waiver of any of the Subscriber's or the Issuer's rights. The rights provided in this deed do not exclude any rights provided by law.

13.2 **Partial invalidity:** An invalid provision in this deed shall not affect the enforceability of the remaining provisions of this deed.

13.3 **Survival:** The indemnities given in this deed will survive the repayment of all the Securities and the termination of this deed.

13.4 **Counterparts:** This deed may be signed in any number of counterparts, all of which together constitute one and the same instrument, and any of the parties may execute this deed by signing any such counterpart.

13.5 **Debenture Trust Deed Notifications:** The Subscriber shall:

(a) within one Business Day of receipt of a written request from an Issuer that is a Local Authority or that Issuer's Trustee, notify that Issuer and that Issuer's Trustee (in writing) of the "nominal amount" of the Security Stock:

- (i) held by the Subscriber in respect of that Issuer's obligations under each of this deed, the Securities and, where that Issuer is a Guarantor, the Equity Commitment Deed; and
- (ii) where that Issuer is a Guarantor, held by the Security Trustee in respect of that Issuer's obligations under the Guarantee,

in each case as at the date of the Subscriber's notification;

- (b) to the extent known by the Subscriber, notify each Issuer (in writing) of any Event of Default affecting any other Issuer as soon as practicable after its occurrence and of the steps taken or proposed to be taken by the Subscriber in relation to such Event of Default, provided that:

- (i) the Subscriber's obligation under this clause 13.5(b) only applies in respect of Securities of which it is the Holder; and
- (ii) the Subscriber shall not be liable for:
  - (aa) any failure to provide such notification to an Issuer; and
  - (bb) any inaccuracy or incomplete information given in a notification, provided the notification is given by the Subscriber in good faith; and

- (c) promptly notify each Issuer (in writing) if the board of directors of the Subscriber determines that there is a risk of imminent default by the Subscriber under the terms of any of its Borrowed Money Indebtedness.

13.6 **Consent to notification:** Each Issuer consents to the Subscriber providing each other Issuer the information set out in clause 13.5.

## 14. GOVERNING LAW

14.1 This deed shall be governed by New Zealand law.

## 15. NO CROWN GUARANTEE

15.1 The parties acknowledge that the obligations and liabilities of the Subscriber and any Issuer that is a Local Authority under this deed are not guaranteed by the Crown.

## SIGNED AS A DEED

**[Original execution blocks intentionally deleted]**

**SCHEDULE 1****Principal Shareholders**

<b>Local Authority name:</b>	<b>Debenture Trust Deed details:</b>	<b>Details for notices:</b>
Auckland Council	Debenture Trust Deed between Auckland Council and Trustees Executors Limited dated 2 December 2010, as amended from time to time and most recently on 25 May 2016.	<p>Delivery Address: 135 Albert Street Auckland 1010</p> <p>Postal Address: Private Bag 92300 Victoria Street West Auckland 1142</p> <p>Email: <a href="mailto:john.bishop@aucklandcouncil.govt.nz">john.bishop@aucklandcouncil.govt.nz</a></p> <p>Attention: John Bishop, Group Treasurer</p>
Bay Of Plenty Regional Council	Debenture Trust Deed between Bay of Plenty Regional Council and Trustees Executors Limited dated on or about 30 November 2011.	<p>Delivery Address: 5 Quay Street Whakatāne</p> <p>Postal Address: P O Box 364 Whakatāne 3158</p> <p>Email: <a href="mailto:mat.taylor@boprc.govt.nz">mat.taylor@boprc.govt.nz</a></p> <p>Attention: Mat Taylor</p>
Christchurch City Council	Debenture Trust Deed between Christchurch City Council and Trustees Executors Limited dated 26 March 2007, as amended from time to	<p>Delivery Address: Civic Offices 53 Hereford Street Christchurch</p> <p>Postal Address: P O Box 73016 Christchurch 8154</p>

	time and most recently on 30 November 2011.	Email: Treasury@ccc.govt.nz
		Attention: Andrew Jefferies
Hamilton City Council	Debenture Trust Deed between Hamilton City Council and Trustees Executors Limited dated 19 June 2001, as amended from time to time and most recently on 30 November 2011.	Delivery Address: 260 Anglesea Street Council Building Garden Place Hamilton 3240  Postal Address: Private Bag 3010 Hamilton 3240  Email: david.bryant@hcc.govt.nz  Attention: David Bryant
Hastings District Council	Debenture Trust Deed between Hastings District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 16 March 2007, as amended from time to time and most recently on 30 November 2011.	Delivery Address: 207 Lyndon Road East Hastings 4122  Postal Address: Private Bag 9002 Hastings 4156  Email: brucea@hdc.govt.nz  Attention: Bruce Allan
Masterton District Council	Debenture Trust Deed between Masterton District Council and Trustees Executors Limited dated 26 June 2007, as amended from time to time and most	Delivery Address: 27 Lincoln Road Masterton 5810  Postal Address: PO Box 444 Masterton 5840



	recently on 30 November 2011.	Email: davidp@mstn.govt.nz  Attention: Manager Finance
New Plymouth District Council	Debenture Trust Deed between New Plymouth District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 21 May 2009, as amended from time to time and most recently on 30 November 2011.	Delivery Address: Liardet St New Plymouth  Postal Address: Private Bag 2025 New Plymouth 4342  Email: alison.trustrumrainey@npdc.govt.nz / carla.freeman@npdc.govt.nz  Attention: Alison TrustrumRainey / Carla Freeman
Ōtorohanga District Council	Debenture Trust Deed between Ōtorohanga District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 30 November 2011.	Delivery Address: 17 Maniapoto Street Ōtorohanga 3940  Postal Address PO Box 11 Ōtorohanga 3940  Email: grahamb@otodc.govt.nz  Attention: Graham Bunn
Selwyn District Council	Debenture Trust Deed between Selwyn District Council and Trustees Executors Limited dated 17 July 2009, as amended from time to time and most recently on 30 November 2011.	Delivery Address: 2 Norman Kirk Drive Rolleston  Postal Address: P O Box 90 Rolleston 7643  Email: Treasury.management@selwyn.govt.nz

		Attention: Greg Bell
South Taranaki District Council	Debenture Trust Deed	Delivery Address:
	between South Taranaki	105-111 Albion Street
	District Council and	Hawera 4610
	Trustees Executors	
	Limited dated 21	Postal Address:
	December 2007, as	Private Bag 902
	amended from time to	Hawera 4640
	time and most recently on	
	30 November 2011.	Email: vipul.mehta@stdc.govt.nz
		Attention: Vipul Mehta
Tasman District Council	Debenture Trust Deed	Delivery Address:
	between Tasman District	189 Queen Street,
	Council and Perpetual	Richmond, Nelson 7050
	Trust Limited (and now	
	between the Council and	Postal Address
	Covenant Trustee	Private Bag 4
	Services Limited) dated 7	Richmond, Nelson 7050
	July 2010, as amended	
	from time to time and	Email: treasury@tasman.govt.nz
	most recently on 30	
	November 2011.	Attention: Corporate Services Manager

Taupo District Council	<p>Debenture Trust Deed between Taupo District Council and Trustees Executors Limited dated 19 October 2009, as amended from time to time and most recently on 30 November 2011.</p>	<p>Delivery Address: 72 Lake Terrace Taupo 3330</p> <p>Postal Address: Private Bag 2005 Taupo 3352</p> <p>Email: <a href="mailto:nward@taupo.govt.nz">nward@taupo.govt.nz</a></p> <p>Attention: Neil Ward</p>
Tauranga City Council	<p>Debenture Trust Deed between Tauranga District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 11 August 1998, as amended from time to time and most recently on 7 September 2012.</p>	<p>Delivery Address: 91 Willow Street Tauranga 3143</p> <p>Postal Address: Private Bag 12022 Tauranga 3143</p> <p>Email: <a href="mailto:treasury.settlements@tauranga.govt.nz">treasury.settlements@tauranga.govt.nz</a></p> <p>Attention: Mohan De Mel</p>

Waipa District Council	<p>Debenture Trust Deed between Waipa District Council and Trustees Executors Limited dated 16 May 2007, as amended from time to time and most recently on 30 November 2011.</p>	<p>Delivery Address: 101 Bank Street Te Awamutu</p> <p>Postal Address: Private Bag 2402 Te Awamutu 3800</p> <p>Email: Farrah.Templeton@waipadc.govt.nz Sarah.Davies@waipadc.govt.nz Ken.Morris@waipadc.govt.nz</p> <p>Attention: Ken Morris</p>
Wellington City Council	<p>Debenture Trust Deed between Wellington City Council and Trustees Executors Limited dated 11 May 2005, as amended from time to time and most recently on 5 December 2011.</p>	<p>Delivery Address: Wellington City Council 113 The Terrace Wellington</p> <p>Postal Address: PO Box 2199 Wellington 6140</p> <p>Email: martin.read@wcc.govt.nz</p> <p>Attention: Martin Read</p>
Wellington Regional Council	<p>Debenture Trust Deed between Wellington Regional Council and Trustees Executors Limited dated 23 November 2011.</p>	<p>Delivery Address: Shed 39, 2 Fryatt Quay, Pipitea Wellington 6011</p> <p>Postal Address: P O Box 11646 Manners Street Wellington 6142</p> <p>Email: mike.timmer@gw.govt.nz matthias.zuschlag@gw.govt.nz</p>

Western Bay Of Plenty District Council	<p>Debenture Trust Deed between Western Bay of Plenty District Council and Trustees Executors Limited dated 8 October 1999, as amended from time to time and most recently on 30 November 2011.</p>	<p>Attention: Mike Timmer</p> <p>Delivery Address: Barkes Corner Greerton Tauranga</p> <p>Postal Address: Private Bag 12803 Tauranga 3143</p> <p>Email: kumaren@perumal@westernbay.govt.nz</p>
Whangarei District Council	<p>Debenture Trust Deed between Whangarei District Council and Trustees Executors Limited (formerly Tower Trust Limited) dated 10 June 2002, as amended from time to time and most recently on 30 November 2011.</p>	<p>Attention: Kumaren Perumal</p> <p>Delivery Address: Forum North Rust Avenue Whangarei</p> <p>Postal Address: Private Bag 9023 Whangarei 0148</p> <p>Email: alan.adcock@wdc.govt.nz</p> <p>Attention: Alan Adcock</p>

## SCHEDULE 2

### Conditions

The following are the Conditions which will apply to each Tranche issued by an Issuer under the Multi-issuer Deed. The applicable Final Terms in relation to a Tranche may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify the Conditions applicable to the Tranche. References in these Conditions to the "Issuer" means the Issuer specified in the applicable Final Terms.

#### 1. INTERPRETATION

1.1 **Definitions:** In these Conditions, unless the context otherwise requires:

**"Act"** means the Local Government Act 2002.

**"Agency Agreement"** means, in relation to the Issuer and a Series, the agency agreement between the Issuer and the person appointed as Registrar for the Series, as specified in the applicable Final Terms.

**"Amortisation Date"** means, in respect of an Amortising Security, each date (other than the Maturity Date) for the repayment of part of the Principal Amount of that Amortising Security, being the dates specified as such in the applicable Final Terms.

**"Amortising Security"** means a Security (whether a Fixed Rate Security or a Floating Rate Security) the Principal Amount or part of the Principal Amount of which is repayable on the scheduled Amortisation Dates for that Security.

**"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 Security, the levy payable by the Issuer in accordance with section 86J of the Stamp and Cheque Duties Act 1971.

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

(a) **Bill rate:**

- (i) if the Interest Period is 1, 2, 3, 4, 5, or 6 months, the mid 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) ("**Reuters Monitor Screen**") for bank bills having a term approximately equal to that Interest Period; or

- (ii) if the Interest Period is longer than 1 month but shorter than 6 months, and not 2, 3, 4, or 5 months, the rate resulting from straight line interpolation (rounded upwards, if necessary, to the nearest four decimal places) between the mid rates as displayed at or about 10.45am on the first day of that Interest Period on the Reuters Monitor Screen for bank bills having a term:
    - (aa) shorter than, but closest to, that Interest Period; and
    - (bb) longer than, but closest to, that Interest Period; or
  - (iii) (in either case) if there are no such rates displayed for bank bills having the relevant term, then the average (rounded upwards if necessary to the nearest four decimal places) of the rates quoted to the Registrar for the relevant Series by each of the Reference Banks (or such one or more of them as are quoting) as being its buy rate for bank bills at or about that time on that date; or
  - (iv) if the rate cannot be determined pursuant to paragraphs (i) to (iii) above, the rate determined by the Registrar (following consultation with the Holder).
- (b) **Swap Rate:** a rate equal to the floating rate that would be determined by the Registrar or other person specified in the applicable Final Terms under an interest rate swap transaction if the Registrar or that other person were acting as calculation agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the Securities and under which:
  - (i) the floating rate option is as specified in the applicable Final Terms;
  - (ii) the designated maturity is the period specified in the applicable Final Terms; and
  - (iii) unless otherwise stated in the applicable Final Terms, the relevant reset date is the first day of that Interest Period.
- (c) **Other specified rate:** any other reference rate as may be specified in the Final Terms for a Tranche,

in each case as set out in the applicable Final Terms.

**"Business Day"** means a day (other than a Saturday, Sunday or public holiday) on which registered banks are generally open for business in Christchurch, Wellington and Auckland.

**"CCO"** means a "council-controlled organisation" as defined in the Act, but excludes:

- (a) a council-controlled organisation that is not a company; and
- (b) a council-controlled organisation in which the equity securities held or controlled, directly or indirectly, by one or more Local Authorities carry less than (in aggregate) 51% of the voting rights at a meeting of the shareholders of that council-controlled organisation.

**"CCO Credit Support"** means, in relation to a CCO Issuer, any combination of the following:

- (a) a CCO Security;
- (b) a CCO Negative Pledge and Covenant;
- (c) a CCO Guarantee;
- (d) where a LA Shareholder provides a CCO Guarantee, the Security Stock issued by the LA Shareholder in respect of its obligations under the CCO Guarantee; and/or
- (e) any other security arrangements,

as specified in the applicable Final Terms.

**"CCO Guarantee"** means, in relation to a CCO Issuer, a guarantee and indemnity made by one or more CCO Shareholders (subject to any applicable laws) in favour of (amongst others) the Holder in respect of the indebtedness of that CCO Issuer.

**"CCO Issuer"** means an Issuer that is a CCO.

**"CCO Negative Pledge and Covenant"** means the undertakings given by a CCO Issuer in favour of the Holder and, set out in the applicable Final Terms, relating to:

- (a) for so long as any Series issued by the Issuer is outstanding, the restrictions on the creation or subsistence of any security interest over the whole or any part of its assets, other than a permitted security interest (as specified in the applicable Final Terms);
- (b) for so long as any Series issued by the Issuer is outstanding, the amount of its indebtedness relative to the aggregate amount uncalled and unpaid in respect of



equity securities in the Issuer owned legally and beneficially by the CCO Shareholders; and

- (c) if applicable, calling up and/or demanding payment of, the whole or part (as specified in the request from the Holder) of the amount uncalled and/or unpaid in respect of the equity securities referred to in paragraph (b) on written request from a Holder, provided that such request may only be made following the occurrence of an Event of Default that is continuing.

**"CCO Security"** means, in relation to a CCO Issuer, a first ranking security interest in all of the CCO Issuer's property (including any rights of the CCO in respect of any amounts uncalled and/or unpaid in respect of equity securities owned legally and/or beneficially by the CCO Shareholders).

**"CCO Shareholder"** means a LA Shareholder or an Other Shareholder.

**"CCO Support Document"** means, in relation to a CCO Issuer, any document in relation to CCO Credit Support, as specified in the applicable Final Terms.

**"Class"** means a category of Securities which in the reasonable opinion of the Issuer at any particular time, for any particular purpose, constitutes a separate class of Securities and

**"Class of Holders"** means the Holders of those Securities.

**"Companies Act"** means the Companies Act 1993.

**"Debenture Trust Deed"** means, in relation to a Local Authority, the debenture trust deed made by that Local Authority, under which certain of the Local Authority's indebtedness may, from time to time, be secured by the issuing of Security Stock.

**"Default Interest"** has the meaning given in clause 6.6.

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

**"Event of Default"** means any of the events specified in clause 10.1 or 10.1A (as applicable).

**"Extraordinary Resolution"** has the meaning set out in the schedule to these Conditions.

**"Final Terms"** means:

- (a) in relation to a Series or Tranche of EC Securities (as defined in the Multi-issuer Deed), the document entitled **"Final Terms"** signed by the Issuer and the original subscriber; and

- (b) in relation to a Series or Tranche of any other Securities, the document entitled "**NZ Local Government Funding Agency Term Sheet**" signed by an authorised signatory of the original subscriber,

in either case, that supplements these Conditions and may specify other terms and conditions which shall, to the extent inconsistent with these Conditions, replace or modify these Conditions with respect to the Tranche.

**"Fixed Rate Security"** means a Security bearing a fixed rate of interest.

**"Floating Rate Security"** means a Security bearing interest at a margin over the Base Rate.

**"FMC Act"** means the Financial Markets Conduct Act 2013.

**"Holder"** means, in relation to the Issuer at any time, the person whose name is recorded in the Register as the holder of a Security issued by the Issuer at that time.

**"Insolvency Event"** means, in relation to a CCO Issuer or any CCO Shareholder, any "Insolvency Event" specified in the applicable Final Terms.

**"Interest Payment Date"** means:

- (a) in relation to a Floating Rate Security, the last day of each Interest Period for that Floating Rate Security; and
- (b) in relation to a Fixed Rate Security, the quarterly, semi-annual or annual dates fixed at the time of issue of that Security for the payment of interest in respect of that Security as specified in the Final Terms and recorded as such in the Register.

**"Interest Period"** means, in relation to a Floating Rate Security, a period determined in accordance with clause 7.1(a) in respect of that Security.

**"Interest Rate"** means, in relation to a Security, the rate of interest (if any) payable in respect of that Security (which may be a fixed rate or a margin over the Base Rate) specified in the applicable Final Terms and recorded as such in the Register.

**"Issue Date"** means, in relation to a Security, the date on which that Security is issued, being the date specified as such in the applicable Final Terms and recorded as such in the Register.

**"Issue Price"** means, in relation to a Tranche, the Issue Price specified in the applicable Final Terms.

**"LA Shareholder"** means, in relation to a CCO Issuer, each Local Authority that holds or controls (directly or indirectly) any equity securities of that CCO Issuer.

**"Local Authority"** means a local authority as defined in the Act.

**"Margin"** means, in relation to a Floating Rate Security, the margin specified in the applicable Final Terms and recorded as such in the Register.

**"Maturity Date"** means, in relation to a Security, the date for the repayment of the Security, being the date specified in the applicable Final Terms and recorded as such in the Register.

**"Minimum Subscription Amount"** means, in relation to a Tranche, the minimum subscription amount of the Tranche, being the amount specified as such in the applicable Final Terms and recorded as such in the Register.

**"Multi-issuer Deed"** means the deed dated on or about 7 December 2011 (as amended and restated from time to time) between New Zealand Local Government Funding Agency Limited and various Local Authorities entitled **"Multi-issuer Deed"**.

**"NZClear"** means the securities clearing and settlement facility known as the NZClear New Zealand System or any other securities clearing and/or settlement facility which replaces or supersedes it from time to time.

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

**"Other Shareholder"** means, in relation to a CCO Issuer, a person that is not a Local Authority that holds or controls (directly or indirectly) any equity securities of that CCO Issuer.

**"Principal Amount"** means, in relation to a Security, the amount (other than interest) payable on redemption or repayment of the Security, being the amount specified as such in the applicable Final Terms and recorded as such in the Register or, as the context may require, in relation to an Amortising Security, the principal amount thereof for the time being outstanding, as reduced in accordance with clause 6.3 of these Conditions.

**"Record Date"** means, in relation to a payment due on a Security, 5.00pm on the tenth day before the due date for that payment or, if that day is not a Business Day, the preceding Business Day.

**"Reference Banks"** means ANZ Bank New Zealand Limited, Bank of New Zealand, ASB Bank Limited and Westpac New Zealand Limited.

**"Register"** means, in relation to a Series issued by the Issuer, the register of Securities maintained by the Registrar for the Series in accordance with these Conditions and the Agency Agreement.

**"Registrar"** means, in relation to a Series issued by the Issuer, the person named in the Agency Agreement and specified in the applicable Final Terms as the registrar, calculation agent and paying agent for the Series, or any successor agent appointed under the Agency Agreement in relation to the Series.

**"RWT-Exempt Status"** means "RWT-exempt status" as defined in the Taxation (Annual Rates for 2017–18, Employment and Investment Income, and Remedial Matters) Act 2018.

**"Security"** means a security issued under the Multi-issuer Deed and constituted by, and subject to the terms and conditions set out in, these Conditions, and includes an Amortising Security, a Fixed Rate Security, a Floating Rate Security, a Zero Coupon Security or any other type of security agreed from time to time by the Issuer and the initial subscriber for the security.

**"Security Stock"** means Security Stock as defined in the Debenture Trust Deed.

**"Security Stock Certificate"** means a Security Stock Certificate as defined in the Debenture Trust Deed.

**"Series"** means a Tranche of Securities together with any further Tranche or Tranches of Securities which are (i) expressed to be consolidated and form a single series; and (ii) identical in all respects except for their respective Issue Dates, first Interest Payment Dates and/or Issue Prices.

**"Stock"** has the meaning given to it in the Debenture Trust Deed.

**"Tranche"** means Securities of the same Series in respect of which all terms are identical.

**"Trustee"** means the trustee or supervisor as defined in the relevant Debenture Trust Deed.

**"Zero Coupon Security"** means a Security in respect of which no interest is payable, issued or to be issued by the Issuer at a discount to its Principal Amount.

1.2 **References:** Except to the extent that the context otherwise requires, any reference in these Conditions to:

a **"clause"** or **"schedule"** is a reference to a clause of, or schedule to, these Conditions.

any **"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. It also includes any self-regulatory organisation established under statute or any stock exchange.

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

a **"law"** includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute or other legislative measure, in each case of any jurisdiction whatever and **"lawful"** shall be construed accordingly.

something having a **"material adverse effect"** on a person is a reference to it having a material adverse effect on the financial condition or operations of that person which materially adversely affects the ability of that person to perform or comply with its payment obligations under these Conditions, any Security or any CCO Credit Support or CCO Support Documents (if applicable).

**"non-tax resident"** means a Holder that is not a tax resident.

**"outstanding"** means, in relation to Securities, all Securities other than those which have been:

- (a) redeemed or repaid in full in accordance with these Conditions; or
- (b) purchased and cancelled in accordance with these Conditions.

**"payment"** includes satisfaction of a monetary obligation.

**"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.

**"registered bank"** has the meaning in section 2 of the Reserve Bank of New Zealand Act 1989.

something being **"remedied"** means it is remedied to the satisfaction of the Holder.

a **"security interest"** includes a security interest (as construed and defined in the Personal Property Securities Act 1999), mortgage, lien, pledge, any interest in land of a security nature, any other security arrangement creating in effect security for the payment of a monetary obligation or the observance of any other obligation, and any other arrangement having like economic effect over any property, assets or revenues, and **"unsecured"** means not subject to a security interest.

**"tax"** includes any present or future tax, levy, impost, duty, rate, charge, fee, deduction or withholding of any nature and whatever called (including, for the avoidance of doubt, Approved Issuer Levy), imposed or levied by any governmental agency, together with any interest, penalty, charge, fee or other amount imposed or made on or in respect of any of the foregoing.

**"tax resident"** means a Holder that:

- (a) is resident in New Zealand for tax purposes; or
- (b) carries on business in New Zealand through a fixed establishment and either:
  - (i) is a registered bank and is not associated with the Issuer; or
  - (ii) holds the Security for the purposes of the business it carries on in New Zealand through that fixed establishment,

provided that for the purposes of this definition, the terms "associated", "fixed establishment" and "registered bank" shall have the meanings given in the Income Tax Act 2007.

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

### 1.3 **Miscellaneous:**

- (a) The headings in the Conditions are inserted for convenience only and shall be ignored in construing these Conditions.
- (b) Unless the context otherwise requires words denoting only the singular number shall include the plural and vice versa and words denoting any gender shall include all genders.
- (c) References to any legislation or to any provision of any legislation are deemed to be references to that legislation or provision as from time to time amended, re-enacted or substituted and, unless the context otherwise requires, shall also include any statutory instruments issued under any such legislation or provision.
- (d) References to any document (however described) shall include references to such document as modified, novated, supplemented, varied or replaced from time to time.
- (e) References to any party to these Conditions or any other document or any Holder shall include its successors or permitted assigns.

(f) References to a time of day are references to New Zealand time unless otherwise stated.

(g) Anything which may be done at any time may also be done from time to time.

## 2. ISSUE AND FORM OF SECURITIES

2.1 **Form of Securities:** Securities may be issued on terms such that the Principal Amount is a fixed amount or a reducing amount and/or that interest (if the Security is interest-bearing) will be calculated by reference to a specific interest rate (which may be a fixed rate or a margin over the Base Rate) or as otherwise specified in the applicable Final Terms. Each Security shall:

- (a) be in uncertificated book entry form;
- (b) be denominated in NZ Dollars; and
- (c) have a Minimum Subscription Amount for holdings of the Security of at least \$750,000 and also may have a minimum multiple of that amount for such holdings, in each case as specified in the applicable Final Terms.

2.2 **Final Terms:** Securities shall be constituted and issued in Tranches. Each Tranche shall be subject to the terms and conditions set out in the Final Terms for the Tranche and (as modified by those Final Terms) these Conditions. To the extent that the Final Terms for a Tranche modifies these Conditions, or in the event of any conflict between the provisions of the Final Terms and those of these Conditions, the Final Terms shall prevail over these Conditions in relation to the Tranche.

## 3. STATUS OF SECURITIES

3.1 **Status of Securities:**

- (a) The Securities are and will at all times be direct, secured and unconditional indebtedness of the Issuer.
- (b) Securities issued by the Issuer rank and will at all times rank equally without any preference or priority among themselves.

3.2 **Security (Local Authority):** All Securities issued by an Issuer that is a Local Authority shall have the benefit of the security interest given, and shall be subject to any security arrangements provided for, in the Debenture Trust Deed.

3.2A **Security (CCO):** All Securities issued by a CCO Issuer shall have the benefit of any security interest given, and shall be subject to any security arrangements provided for, in the CCO Support Documents.

3.3 **Provisions applicable to Securities:** Each Tranche shall be issued and held with the benefit of and subject to these Conditions and the applicable Final Terms, all of which are binding upon the Issuer and the Holders. The Holders shall be deemed to have notice of these Conditions and the applicable Final Terms.

3.4 **Enforcement of Holders' rights:** Holders may enforce any of their rights or remedies under these Conditions and the applicable Final Terms directly against the Issuer.

#### 4. TITLE AND TRANSFER

4.1 **Certificates:** At the request of a Holder, or otherwise as required by the FMC Act or any other applicable law, the Issuer shall procure the Registrar to issue to the Holder a certificate or notice of registration in relation to the Securities held by the Holder, such certificate or notice to be in the form agreed between the Issuer and the Registrar. A certificate or notice of registration issued in respect of a Security will not constitute a document of title. Subject to clause 4.6, entitlement will be determined solely by entry in the Register and, in the case of the beneficial interest in Securities lodged in NZClear, the records of NZClear.

4.2 **Transfer:** Title to a Security may be transferred by a transfer in any commonly used form signed by the transferor and the transferee and produced to the Registrar.

4.3 **Partial transfers:** A Holder may transfer part only of its interest in a Security. However, no transfer of any part of its interest may be effected if such transfer would result in the transferor or the transferee holding or continuing to hold Securities with an aggregate Principal Amount of less than the applicable Minimum Subscription Amount (or minimum multiple thereof).

4.4 **Fees:** The Issuer and the Registrar shall make no service charge to the Holders for:

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

The Issuer and the Registrar may, however, require the payment of any taxes and other governmental charges payable as a result of any transfer.

4.5 **Selling restrictions:**



- (a) Each Holder shall only offer for sale or sell, directly or indirectly, or transfer any Security in conformity with all applicable laws in any jurisdiction in which it is offered, sold or delivered.
- (b) Without limitation to the generality of clause 4.5(a), Securities shall not be offered, sold or delivered, nor may any information memorandum, advertisement or other offering materials in relation to any offer of such Securities be distributed in New Zealand other than to "wholesale investors" as that term is defined in clauses 3(2)(a), (c) and (d) of Schedule 1 to the FMC Act, being a person who is:
  - (i) an "investment business";
  - (ii) "large"; or
  - (iii) a "government agency",
 in each case as defined in Schedule 1 to the FMC Act. For the avoidance of doubt, such Securities may not be offered or transferred to, among others, "eligible investors" (as defined in the FMC Act).
- (c) No information memorandum or any advertisement, prospectus or other offering material in respect of any Security 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.

**4.6 Debenture Trust Deed:** In the case of any Security lodged in NZClear and:

- (a) issued by a Local Authority, for the purposes of the Debenture Trust Deed and any Security Stock issued under that Debenture Trust Deed for that Security and evidenced by a Security Stock Certificate; or
  - (b) issued by a CCO, for the purposes of any CCO Support Document (if applicable),
- all amounts payable (present or future, actual or contingent) under these Conditions in respect of that Security shall be deemed to be owed to the holder of the beneficial interest in the Security (as shown in the records of NZClear). This clause applies notwithstanding anything to the contrary in these Conditions.

## **5. REGISTER**

- 5.1 Register:** The Issuer shall at all times while any Series is outstanding cause the Registrar for each Series to maintain the Register, which must record in respect of each Security the information specified in the applicable Final Terms plus the following information:

- (a) the name, address and (where known) tax residency of the Holder;
- (b) details of the account to which payments in respect of the Securities are to be made;
- (c) transfers of the Security;
- (d) details of any resident withholding tax exemption certificates held by the Holder; and
- (e) any other information required by law.

5.2 **Disclosure and Inspection:** The Registrar of the relevant Series must disclose to a Holder who so requests, any information held on the Register which relates to the Security(s) registered in the name of the Holder. The Holders may at any time during normal office hours upon reasonable notice to the Registrar inspect and take extracts from each Register without payment of any fee.

5.3 **Register conclusive:** Except as ordered by a court of competent jurisdiction and subject to clause 4.6, the Issuer and the Registrar are each entitled to recognise the Holder of a Security as the absolute owner of the Security and shall not be bound by any actual or constructive notice of any trust (express, implied or constructive), encumbrance, security or other adverse interest to which any Security may be subject. No recognition of any trust (express, implied or constructive), encumbrance, security or other adverse interest shall be entered on the Register. In the event of any conflict between any certificate or notice of registration issued in respect of a Security and the Register, the Register shall prevail.

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

5.5 **Co-ownership Securities:**

- (a) Where two or more persons are registered as Holders of the same Security(s) by virtue of any application for Securities, 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 Security(s) as joint tenants with right of survivorship.
- (b) If two or more persons apply by memorandum of transfer, to be registered as Holders as tenants in common, the Registrar for the relevant Series may, after notifying the persons of its intention to do so, divide the Securities into parcels which represent each such person's share. If the Securities cannot be divided into shares which would enable each such person to hold Securities with an aggregate

Principal Amount of at least the applicable Minimum Subscription Amounts (and any minimum multiples thereof), the Registrar of the relevant Series may refuse to accept the memorandum of transfer.

- 5.6 **Acquisition of Securities by operation of law:** When the right to a Security is acquired by any person in any manner other than by way of a transfer under these Conditions (whether on the dissolution, death or bankruptcy of the relevant Holder, or under a writ of execution, or otherwise) the Registrar of the relevant Series, 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 the Security, will enter that person's name in the Register as the Holder of the Security accordingly.
- 5.7 **Notification by Holders:** Any change of name or address of any Holder or any change in any other information required to be inserted in the Register in respect of any Holder shall immediately be notified to the Registrar of the relevant Series in writing by the Holder, or if a joint holding by all the joint Holders.
- 5.8 **Compliance with law:** The Issuer shall comply with, and shall use its best endeavours to ensure that each Registrar complies with, all statutory requirements and the requirements of these Conditions relating to the keeping of the Register and the details entered in the Register.
- 6. PAYMENT OF PRINCIPAL AMOUNT AND INTEREST**
- 6.1 **Determination of Principal Amount:** The Principal Amount of each Security shall be the amount recorded as such in the Register in respect of the Security, which may be the par or face value.
- 6.2 **Principal Amount of Securities:** The Issuer shall, on the Maturity Date of each Security, unconditionally pay or cause to be paid to, or to the order of, the relevant Holder the Principal Amount of the Security. Unless the applicable Final Terms provide otherwise, and except to the extent provided in these Conditions, a Security shall not be redeemed prior to its Maturity Date.
- 6.3 **Principal Amount of Amortising Securities:** The Issuer shall, on each Amortisation Date of each Amortising Security, unconditionally pay, or cause to be paid to, or to the order of, the relevant Holder, the portion of the Principal Amount of the Amortising Security as set out in respect of the Amortisation Date in the applicable Final Terms and recorded in the Register.
- 6.4 **Interest:** The Issuer shall pay interest on each Interest Payment Date:

- (a) on each Floating Rate Security for each Interest Period, at the rate per annum equal to the aggregate of the Base Rate for the Interest Period (as determined by the Registrar for the relevant Series) and the Margin for the Floating Rate Security; and
- (b) on each Fixed Rate Security, at the Interest Rate for the Fixed Rate Security.

6.5 **Non-payment:** Each Security 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.

6.6 **Default interest:** If any amount payable by the Issuer in respect of a Security or any other amount due to any person from the Issuer under these Conditions is not paid on its due date, interest ("**Default Interest**") shall accrue on the unpaid amount (net of any interim or progress payments made) (after, as well as before, any judgment) at the rate determined by the Registrar for the relevant Series to be the aggregate of 2% and the Base Rate which on the due date would apply to an interest period of one month, shall be determined at monthly intervals thereafter until the unpaid amount (net of any interim or progress payments) is paid and shall be compounded monthly until paid. For the avoidance of doubt, this clause 6.6 shall not apply in respect of payments suspended in accordance with these Conditions.

## 7. CALCULATION OF INTEREST

### 7.1 Floating Rate Securities:

- (a) **Interest Periods:** Each Interest Period in relation to a Floating Rate Security shall be a period of one, two, three, four, five or six months' duration (as specified in the applicable Final Terms) and:
  - (i) the first Interest Period will commence on (and include) the Issue Date and end on (but exclude) the first Interest Payment Date (as specified in the applicable Final Terms) and each subsequent Interest Period will commence on (and include) the Interest Payment Date of the previous Interest Period and end on (but exclude) the next Interest Payment Date;
  - (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
  - (iii) if the final Interest Period would otherwise extend beyond the Maturity Date, it will end on the Maturity Date.

- (b) **Basis for calculation:** Interest shall be calculated on the Principal Amount of the Floating Rate Security, 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 arrear on the Interest Payment Date for the Interest Period.

- 7.2 **Fixed Rate Securities:** Interest shall be calculated on the Principal Amount of each Fixed Rate Security and shall be payable in arrear in equal quarterly, semi-annual or annual instalments (as specified in the applicable Final Terms) on each Interest Payment Date for the Fixed Rate Security.

## 8. PAYMENTS

- 8.1 **Payment to Holder:** Payment of the Principal Amount of, and interest (if any) on, a Security (less any amount required to be deducted in accordance with clause 9) shall be made to the person whose name appears in the Register as the Holder of the Security on the Record Date in respect of the relevant payment. If more than one person is so named in the Register, payment will be made to the first person so named.
- 8.2 **Method of payment:** A Holder may, by notice to the Registrar for the Series, request the Registrar to make payments in respect of any Security held by it to a specified bank account 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 Registrar on or before the Record Date for the payment. In the absence of any such notice, payments in respect of each Security will be made by posting a cheque to the address of the relevant Holder appearing in the Register. Any notice given under this clause will be deemed to be automatically cancelled upon transfer of all or part of a Security. A notice from one of several Holders of the same Securities shall be deemed to be given by all such Holders.
- 8.3 **Business Day:** If any Interest Payment Date or the Maturity Date of a Security 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 these Conditions and the Agency Agreement will be read and construed accordingly.
- 8.4 **Unclaimed payments:** In respect of any Securities, if any payment made by the Issuer to any Holder at its address last entered in the Register is returned unclaimed the amount concerned must (unless the Registrar or the Issuer has in the meantime received notice of a change of address to be entered in the Register) be returned to the Issuer. The Issuer shall be entitled to retain for its own benefit, and will have no liability in respect of, the amount concerned if it remains unclaimed six years after the original date of payment.

- 8.5 **Reinstatement:** If any payment made to a Holder by, or on behalf of, the Issuer is subsequently rescinded, avoided or otherwise restored to the Issuer, that payment will be deemed not to have discharged or affected the liability of the Issuer in respect of which that payment was made. In that event the relevant Holder and the Issuer 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.

## 9. TAXES

- 9.1 **Deductions or withholdings:** All sums payable under a Security or under these Conditions 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 in this clause 9) 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 9.2 and 9.3).

- 9.2 **Non-resident Withholding Tax:** New Zealand non-resident withholding tax will be deducted from payments of interest (or payments deemed by law to be interest) to non-tax resident Holders. Unless the relevant non-tax resident Holder notifies the Issuer that it elects that non-resident withholding tax be deducted from payments to it instead of Approved Issuer Levy, if the Issuer is lawfully able to register for and pay Approved Issuer Levy in respect of any payment of interest (or deemed interest) to non-tax resident Holders, the Issuer shall register itself as an approved issuer and shall register the Series as registered securities, and the Issuer, or the Registrar for the relevant Series 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 those Holders in lieu of deducting New Zealand non-resident withholding tax from that payment at the rate otherwise applicable.

- 9.3 **Resident Withholding Tax:** New Zealand resident withholding tax will be deducted from payments of interest (or payments deemed by law to be interest) to Holders who are tax resident unless an appropriate exemption certificate (or, on or after 1 April 2020, confirmation of RWT-Exempt Status) is produced to the Registrar for the Series on or before the Record Date for the relevant payment.

- 9.4 **No gross-up:** The Issuer 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 Securities under clause 9.2 or 9.3. If, in respect of any Security, the Registrar for the Series or the Issuer becomes liable to make any payment of,

or on account of, tax payable by any Holder, then the Registrar for the relevant Series and the Issuer shall be indemnified by the relevant Holder in respect of such liability. Any moneys paid by the Registrar for the relevant Series or the Issuer in respect of such liability may be recovered from the Holder as a debt due to the Registrar for the relevant Series or the Issuer and may be withheld from any further payments to that Holder. Nothing in this clause will prejudice or affect any other right or remedy of the Registrar for the relevant Series or the Issuer.

9.5 **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 Issuer or the Registrar for the relevant Series (acceptable to it) that a lesser rate is applicable.

9.6 **Tax status:** The Issuer and the Registrar for the relevant Series shall be entitled for the purposes of this clause 9 to rely, without further enquiry, upon any statement made by or on behalf of a Holder in relation to that Holder's tax status or tax residency.

## 10. DEFAULT

10.1 **Events of Default (Local Authority):** Any one or more of the following, whether or not within the control of the Issuer, constitutes an Event of Default for an Issuer that is a Local Authority:

- (a) **Non-payment:** payment of:
  - (i) the Principal Amount of the Securities is not made on the due date and such non-payment continues unremedied for two Business Days after its due date; or
  - (ii) interest on the Securities is not made on the due date and such non-payment continues unremedied for seven Business Days after its due date; or
- (b) **Other breach:** the Issuer commits any breach of, or omits to observe, any of its undertakings or obligations under the Securities 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 after receipt by the Issuer of a notice in writing from the Holder specifying the breach or omission and requiring it to be remedied; or
- (c) **Receivership, Statutory management:**
  - (i) a receiver, or receiver and manager is appointed (or the Issuer requests such appointment) or an encumbrancer takes possession or exercises its powers of sale in respect of, all or any material part of the assets of the

Issuer unless the Issuer demonstrates to the Holder that such appointment or taking of possession or exercising of power will not have a material adverse effect on the ability of the Issuer to pay any amounts owing in relation to the Securities when it is due and payable; or

- (ii) a statutory manager is appointed under the Corporations (Investigation and Management) Act 1989 in respect of the Issuer or the Issuer or any associated person (as that term is defined in that Act) of the Issuer is declared at risk pursuant to the provisions of that Act; or

(d) **Enforcement Event:** an Enforcement Event occurs; or

(e) **Invalidity:** any provision of the Securities, the Security Stock Certificate issued in respect of the Securities or the Debenture Trust Deed:

- (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 any of its rights), or the performance of any such provision becomes illegal,

or the Issuer or any person on its behalf, makes any allegation or claim to that effect; or

(f) **Change in law:** either the Act or the Local Government (Rating) Act 2002 is amended or repealed in a manner or to an extent which, in the reasonable opinion of the Holder, results in a material and adverse change in:

- (i) the ability of the Issuer to perform its payment obligations when due under the Securities, the Security Stock issued in respect of the Securities or the Debenture Trust Deed;
- (ii) the effect of the charge created by the Debenture Trust Deed for the purposes of section 115 of the Act; and/or
- (iii) the ability of any receiver which is or may be appointed over all or any part of the assets of the Issuer charged by the Debenture Trust Deed to exercise its rights under the Act to the same extent it is able to exercise those rights as at the date of the Multi-issuer Deed;

(g) **CCO Credit Support:** payment of any amount that is due under any CCO Support Document is not made on the due date (including any demand for uncalled capital



made by, or on behalf of, a CCO Issuer) and such non-payment continues unremedied for two Business Days after its due date; or

- (h) **Additional Event of Default:** the occurrence of any additional event of default specified in the Final Terms.

10.1A **Events of Default (CCO):** Any one or more of the following, whether or not within the control of the CCO Issuer, constitutes an Event of Default for a CCO Issuer:

- (a) **Non-payment:** payment of:
- (i) the Principal Amount of the Securities is not made on the due date and such non-payment continues unremedied for two Business Days after its due date; or
  - (ii) interest on the Securities is not made on the due date and such non-payment continues unremedied for seven Business Days after its due date; or
  - (iii) any amount due under any CCO Support Document is not made on the due date; or
- (b) **Other breach:** the Issuer, any CCO Shareholder or any other party commits any breach of, or omits to observe, any of its undertakings or obligations under the Securities or a CCO Support 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 after receipt by the Issuer of a notice in writing from the Holder specifying the breach or omission and requiring it to be remedied; or
- (c) **Insolvency:** an Insolvency Event occurs in relation to the Issuer, any of its LA Shareholders and any other CCO Shareholder that has entered into a document with, or granted any CCO Support Document in favour of, the Holder (including the original Holder) in respect of the Issuer; or
- (d) **Enforcement Event:** an enforcement event, event of default, acceleration event or similar event (howsoever described) occurs under a CCO Support Document; or
- (e) **Invalidity:** any provision of the Securities or a CCO Support 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 any of its rights), or the performance of any such provision becomes illegal,

or the Issuer, the relevant CCO Shareholder or any person on the Issuer's or CCO Shareholder's behalf, makes any allegation or claim to that effect; or

- (g) **Status as a CCO:** the Issuer ceases to be a CCO; or
- (h) **Cessation of business or dissolution:** the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, or an application or an order is made, or a resolution is passed or proposed, for the dissolution of the Issuer except, in each case, for the purpose of, and followed by, an amalgamation or solvent reconstruction on terms previously approved in writing by the Holder; or
- (i) **Litigation:** the Issuer is or becomes party to any litigation, tax claim or administrative or arbitration proceedings before or of any court, tribunal, arbitrator, or governmental agency, or to any dispute with any government, governmental agency, that has or would if adversely determined have a material adverse effect; or
- (j) **Material adverse effect:** any event or circumstance, or series of events or circumstances (whether related or not) occurs that has or is reasonably likely to have a:
  - (i) material adverse effect on the Issuer or any CCO Shareholder; or;
  - (ii) material adverse change in the effect of any CCO Credit Support or CCO Support Document; or
- (k) **CCO Support Document:** a CCO Support Document does not provide a security interest to the relevant secured party having the priority which it purported to have; or
- (l) **Change in law:** either the Act or the Local Government (Rating) Act 2002 is amended or repealed in a manner or to an extent which, in the reasonable opinion of the Holder, results in a material and adverse change in:
  - (i) the ability of the relevant CCO Shareholder to perform its payment obligations when due under any CCO Support Document or any Security Stock issued in respect of any CCO Support Document;

- (ii) the effect of the charge created by the Debenture Trust Deed for the purposes of section 115 of the Act; and/or
  - (iii) the ability of any receiver which is or may be appointed over all or any part of the assets of the relevant CCO Shareholder charged by the Debenture Trust Deed to exercise its rights under the Act to the same extent it is able to exercise those rights as at the date of the Multi-issuer Deed; or
- (m) **Additional Event of Default:** the occurrence of any additional event of default specified in the Final Terms.

10.2 **Acceleration:** Any time after the occurrence of an Event of Default, and while such is continuing unremediated or unwaived, a Holder may, by notice in writing to the Issuer declare all or any of the Securities held by the Holder to be immediately due and payable. If such a declaration is made, then the Issuer shall immediately pay to the relevant Holder:

- (a) in the case of a Fixed Rate Security or a Floating Rate Security, the Principal Amount of the Security 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 the Security, or if no interest has been paid in respect of the Security, from the Issue Date to the date of payment; and
- (b) in the case of a Zero Coupon Security, the net present value, as at the date of declaration, of the Principal Amount of the Security determined by the Registrar by discounting the Principal Amount at the discount rate used to determine the purchase price for the Security at the time of its issue.

The Holder's rights under this clause 10.2 are without prejudice, and in addition, to any other rights the Holder may have (whether by law, contract or otherwise).

## 11. AMENDMENTS

11.1 **Limited right to amend:** Except as provided in clause 11.2 and 11.3 the Issuer may not cancel, vary or amend any of these Conditions or the applicable Final Terms while any Securities are outstanding. Any amendment to these Conditions or any Final Terms must be in writing signed by the Issuer and all Holders of the relevant Securities.

11.2 **Amendment without consent:**

(a) The provisions of these Conditions and any Final Terms may be amended without the consent of the relevant Holders where such amendment (in the opinion of the Issuer):

- (i) is of a minor or technical nature;
- (ii) is to correct a manifest error; or
- (iii) is to comply with the requirements or a modification of the requirements of any applicable law,

and, in any such case, 2 authorised officers of the Issuer have certified for the benefit of the relevant Holders that such amendment will not be materially prejudicial to the interests of relevant Holders.

(b) Notice of any such amendment shall be provided to the relevant Holders within 30 days of the amendment being made.

11.3 **Amendment approved by Extraordinary Resolution:** Without limiting clause 11.2 but subject to clause 11.4, the provisions of these Conditions and any Final Terms may be amended by the Issuer if the amendment has been approved by an Extraordinary Resolution of the Holders or relevant Class of Holders and notified in accordance with these Conditions.

11.4 **Meetings:** Meetings of Holders shall be held in accordance with the schedule to these Conditions.

11.5 **Notice:** Notice of any proposed variation under clause 11.2 shall be given by the Issuer to each Holder or each affected Class of Holders not less than 14 days before the date on which it is intended that such variation take effect, but the non-receipt of notice by any such Holder shall not affect the validity of any such variation.

## 12. NOTICES

12.1 **Writing:** Each notice or other communication to be given or made under these Conditions to any person must:

- (a) **Writing:** be given or made in writing by email or letter and be signed by the sender or an authorised officer of the sender;
- (b) **Address:** be given or made to the recipient at the address or email address, and marked for the attention of the person (if any), from time to time designated by the recipient to the other for the purposes of these Conditions;

- (c) **Deemed delivery:** not be effective until received by the recipient, and any such notice or communication shall be deemed to be received:
- (i) (if given or made by letter) when left at the address of the recipient or 5 Business Days after being put in the post (by airmail if to another country), postage prepaid, and addressed to the recipient at that address; or
  - (ii) (if given or made by email) when dispatched in tangible, readable form by the sender to the email address advised by the recipient from time to time,

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

- 12.2 **Initial address and numbers:** The initial address, email address and person (if any) designated for the purposes of these Conditions for each Holder will be specified in the Register.

### 13. **GOVERNING LAW**

- 13.1 These Conditions and the applicable Final Terms shall be governed by New Zealand law.

## SCHEDULE

### Meeting of Holders

#### 1. DEFINITIONS

##### 1.1 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.

**"Class of Securities"** means each category of Securities which in the reasonable opinion of the Issuer at any particular time, for any particular purpose, constitutes a separate class of Securities.

**"Conditions"** means the Conditions to which this schedule is attached and **"Final Terms"** has the meaning given in the Conditions.

**"Extraordinary Resolution"** means a resolution passed at a meeting of Holders, properly convened and held in accordance with the provisions of this schedule, 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.

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

**"regulation"** means a clause of this schedule.

**"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; and
- (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.

#### 2. CONVENING

##### 2.1 **Meeting required by law:** The Issuer shall, whenever required to do so pursuant to the Companies Act or the FMC Act or any other applicable law, convene a meeting of the Holders.

- 2.2 **By Holders:** The Issuer shall, at the request in writing of Holders holding not less than 10% of the aggregate Principal Amount of the Securities, convene a meeting of the Holders. The request must state the nature of the business proposed to be dealt with at the meeting concerned.
- 2.3 **By Issuer:** The Issuer may at any time of its own volition convene a meeting of the Holders.
- 2.4 **Place of meeting:** Each meeting will be held in the city or town in which the Issuer is situated at a place designated in the relevant notice of meeting.
- 2.5 **Regulations:** Meetings of Holders shall be convened and held in accordance with the provisions of this schedule.

### 3. CLASSES OF SECURITIES

- 3.1 If, at any time, in the opinion of the Issuer, a matter is required to be determined by the Holders of a Class of Securities, a meeting may be called in respect of Holders of that Class of Securities, in which case the provisions of this schedule shall, with all necessary modifications, apply and be construed as if references to Securities were references to the relevant Class of Securities and references to Holders were references to the Holders of that Class of Securities.

### 4. NOTICE OF MEETINGS

- 4.1 **Persons to be notified:** Notice of every meeting shall be given in the manner provided in clause 12 of the Conditions to:
- (a) every Holder entered in the Register as at the close of business five Business Days prior to the date of despatch of the notice;
  - (b) the Issuer, if the meeting is convened by the Holders; and
  - (c) if the relevant Securities are listed, any stock exchange on which those Securities are listed.
- 4.2 **Time for notification:** 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.
- 4.3 **Contents of notice:** 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.

- 4.4 **Short or informal notice:** Notwithstanding any other provision of this regulation 4, a meeting may be called by shorter notice than that specified in regulation 4.2, or without any formal notice, and without compliance with regulation 4.3, and shall be deemed to have been duly called if it is so agreed by all Holders before, at or after that meeting.
- 4.5 **Accidental omission:** The accidental omission to give notice to, or the non-receipt of notice by, any person entitled to receive notice will not invalidate the proceedings at any meeting.

## 5. QUORUM

- 5.1 **Quorum required:** No business will be transacted at any meeting unless the requisite quorum is present at the commencement of business.
- 5.2 **Quorum for Extraordinary Resolution:** The quorum for passing an Extraordinary Resolution will be one or more Holders (present in person or by Representative) holding or representing a majority in Principal Amount of the Securities.
- 5.3 **Quorum for other business:** The quorum for the transaction of any business other than the passing of an Extraordinary Resolution will be one or more Holders (present in person or by Representative) of at least 10% in Principal Amount of the Securities.
- 5.4 **Quorum not present:** 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.
- 5.5 **Notice of adjourned meeting:** 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 seven clear days' notice will be required) and such notice will state that the Holders present in person or by Representative at the adjourned meeting will form a quorum whatever the Principal Amount of Securities held by them.

## 6. CHAIRMAN

- 6.1 At a meeting of Holders a person appointed, by a resolution of Holders, from the Holders or



any Representatives present will preside as chairman at a meeting.

## **7. RIGHT TO ATTEND AND SPEAK**

- 7.1 Any elected member, officer or solicitor of the Issuer, or any person appropriately authorised by the Issuer, may attend any meeting and all such persons will have the right to speak at the meeting.

## **8. ADJOURNMENT**

- 8.1 **Chairman may adjourn:** 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.
- 8.2 **Business at adjourned meeting:** 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.

## **9. ONLY PERSONS ON REGISTER RECOGNISED**

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

## **10. AUTHORITY TO VOTE**

- 10.1 **Voting:** An individual Holder may vote personally or by his Representative and a Holder which is a corporation may vote by its Representative. 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 Securities.
- 10.2 **Entitlement:** 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 Securities recorded as owned by them.

## **11. PROXIES**

- 11.1 **In writing:** 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.

- 11.2 **Proxy need not be Holder:** A person appointed to act as a proxy need not be a Holder. A holder of a proxy will have the right to speak at the meeting.
- 11.3 **Deposit of proxy:** 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 solicitor or in any other manner approved by the Issuer, must be deposited at the place appointed by the Issuer in the notice convening the meeting (or, if no such place is appointed, then at the registered office of the Issuer) not later than the Proxy Closing Time. An instrument of proxy which is not so deposited will not be treated as valid unless the Issuer, 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.
- 11.4 **Form of proxy:** An instrument of proxy may be in any usual or common form or in any other form approved by the Issuer and may make provision for directions to be given by the grantor to vote in favour of or against any proposed resolution.
- 11.5 **Proxy valid for meeting:** An instrument of proxy, whether in a usual or common form or not, will, unless the contrary is stated thereon, not need to 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.
- 11.6 **Proxy in favour of chairman:** An instrument of proxy in favour of:
- (a) the chairman of the Issuer; 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 chairman of the Issuer 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.

## 12. HOLDER MAY APPOINT ATTORNEY

- 12.1 Any Holder may by power of attorney appoint an attorney (who need not be a Holder) to vote and act on that Holder's 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.

## 13. CORPORATE REPRESENTATIVES

- 13.1 **Authority:** A Representative of a Holder which is a corporation or a corporation sole will, until that 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.
- 13.2 **Right to act:** 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.

## 14. VOTING PROCEDURE AND POLLS

- 14.1 **Show of hands:** 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 Issuer or any representative of the Issuer; or
- (c) one or more Holders holding or representing not less than 5% in aggregate Principal Amount of the Securities.

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.

- 14.2 **Number of votes:** 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 Securities of which he is the Holder, provided that where a Holder holds Zero Coupon Securities, for the purposes of calculating that Holder's voting entitlement in this clause, the Principal Amount of those Zero Coupon Securities is to be construed as a

reference to the net present value of those Zero Coupon Securities (as calculated by the Registrar for the relevant Series by adjusting, on a straight line basis, the Principal Amount of the relevant Security by a proportion of any discount to that Principal Amount applicable to such Security on its Issue Date) as at the date of the meeting. 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.

- 14.3 **Poll:** 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.
- 14.4 **Chairman has casting vote:** 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.
- 14.5 **Election of chairman:** 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 date of the meeting and in a place appointed by the chairman. 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.
- 14.6 **No disturbance:** 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.
- 14.7 **Joint Holders:** 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.
- 14.8 **Disqualification:** 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 Securities 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 Issuer at its registered office before the commencement of the meeting or adjourned meeting at which the proxy, attorney or authority is used.

## 15. EXTRAORDINARY RESOLUTIONS

15.1 **Powers:** A meeting of Holders will, in addition to all other powers which by these Conditions 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 Issuer from the payment of all or any part of the moneys payable pursuant to the Securities;
- (b) sanction any request from the Issuer for the exchange of the Securities for, or the conversion of the Securities into, shares, stock, debentures, debenture stock or other obligations or securities of the Issuer or any other entity formed or to be formed;
- (c) postpone or, with the concurrence of the Issuer, to accelerate the day when the Principal Amount of any Securities becomes payable and to suspend or postpone for a time the payment of interest on any Securities;
- (d) sanction any alteration, release, modification, waiver, variation, or compromise or any arrangement relating to the rights of the Holders against the Issuer or its assets however those rights arise;
- (e) assent to any amendment to the terms of these Conditions or the relevant Final Terms proposed or agreed to by the Issuer and to authorise the Issuer to execute any document embodying any such amendment;
- (f) give any sanction, assent, release or waiver of any breach or default by the Issuer under any of the provisions of these Conditions or the relevant Final Terms;
- (g) sanction any scheme for the reconstruction of the Issuer or for the amalgamation of the Issuer with any other corporation where such sanction is necessary; and
- (h) authorise or direct the Issuer to execute any supplemental deed or other document embodying such sanction, authority or approval, assent, release, waiver, direction or request.

15.2 **Binding on Holders:** 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 Issuer 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 Holders holding a Class of Securities only (as opposed to the rights of the Holders generally) will not be binding on such Holder or Holders unless the Holder or Holders agree to be bound by the terms of such resolution or unless the Holders of that Class have so agreed by virtue of an Extraordinary Resolution of the Holders of that Class of Securities. Whenever there are Securities outstanding which do not form a single Class then the provisions of this schedule shall have effect subject to the following:

- (a) a resolution which affects one Class only of Securities is deemed to have been duly passed if passed at a properly convened and held meeting of the Holders of that Class (or pursuant to regulation 17);
- (b) a resolution which affects more than one class of Securities, but does not give rise to a conflict of interest between the Holders of any of the Classes so affected is deemed to have been duly passed if passed at a single properly convened and held meeting of the Holders of all Classes so affected (or pursuant to regulation 17);
- (c) a resolution which affects more than one Class of Securities and gives or may give rise to a conflict of interest between the Holders of any of the Classes so affected is deemed to have been duly passed if passed at separate properly convened and held meetings of the Holders of each Class so affected (or pursuant to regulation 17); and
- (d) in respect of each meeting referred to in paragraphs (a), (b) and (c) of this regulation 15.2, the provisions of this schedule apply with the necessary modifications as though references in them to Securities and Holders were references to the relevant Class or Classes and to the Holders of the Securities comprised in such Class or Classes, respectively.

15.3 **Reliance on advice:** The Issuer may rely on, and the Holders and the Registrar for the relevant Series shall be bound by, a legal opinion from a leading law firm in New Zealand to the effect that a resolution affects one Class only or, if it affects more than one Class of Securities, does not give rise to a conflict of interest, for the purposes of determining the meeting or meetings which need to be held for the purposes of regulation 15.2.

## 16. MINUTES TO BE KEPT

16.1 Minutes of all resolutions and proceedings at every meeting will be made by the Issuer or, if the Issuer is not present at the meeting, by a person appointed by the chairman of the meeting. Minutes must be entered in books from time to time provided for that purpose by

the Issuer. 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 at that meeting to have been properly passed and had.

## 17. RESOLUTIONS IN WRITING

- 17.1 **Extraordinary Resolution:** Anything that may be done by Holders by a resolution or Extraordinary Resolution passed at a meeting of Holders may be done by a resolution in writing signed by not less than 75% of the Holders having the right to vote on that resolution, holding in aggregate the Securities conferring the right to cast not less than 75% of the votes which could be cast on that resolution if a poll was demanded.
- 17.2 **Counterparts:** Any such resolution may consist of several documents in similar form, each signed by one or more Holders.
- 17.3 **Execution:** Any such resolution may be signed by a Holder, or an agent or attorney of the Holder duly authorised in writing, or if the Holder is a company, by a director, or by an authorised signatory or attorney so authorised by the company.

### SCHEDULE 3

#### Form of Final Terms for EC Securities

*The Final Terms in respect of each Tranche of EC Securities will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the EC Securities and their issue. Text in this section appearing in italics does not form part of the Final Terms but denotes directions for their completion.*

#### Final Terms dated [●]

*[Name of Issuer]*

**Issue of** *[Aggregate nominal amount of Tranche]* *[Title of EC Securities]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions ("Conditions") contained in the multi-issuer deed dated 7 December 2011 made by New Zealand Local Government Funding Agency Limited and various Local Authorities. These Final Terms contain the final terms of the EC Securities and must be read in conjunction with the Conditions.

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

- |     |                              |   |
|-----|------------------------------|---|
| 1.  | (i) Issuer:                  | [●]   |
| 2.  | [(i) Series Number:]         | [●]   |
|     | [(ii) Tranche Number:]       | [●]   |
|     |                              | <i>[If fungible with an existing Series, details of that Series, including the date on which the Series becomes fungible]</i> |
| 3.  | Type of Securities:          | <i>[Fixed Rate Securities/Floating Rate Securities/Zero Coupon Securities/Amortising Security].</i>                           |
| 4.  | Aggregate Principal Amount:  | [●].  |
| 5.  | Issue Price:                 | [●]% of the aggregate Principal Amount.   |
| 6.  | Minimum Subscription Amount: | \$[750,000] and integral multiples of \$[●].  |
| 7.  | Issue Date:                  | [●].  |
| 8.  | First Interest Payment Date: | [●].  |
| 9.  | Maturity Date:               | [●].  |
| 10. | Redemption restrictions:     | [Securities cannot be redeemed prior to Maturity Date].<br>[Amortising Securities].   |
| 11. | Security:                    | Debenture Trust Deed dated [●] between Issuer and [specify Trustee].  |

#### Provisions relating to interest (if any) payable



## 12. Floating Rate Security provisions:

- (i) Base Rate (if applicable): [Bill Rate / Swap Rate / Other Specified Rate].
- (ii) Margin: [•] % per annum
- (iii) Interest Periods: [One, two, three, four, five or six months].
- (iv) Interest Payment Dates: [•] in each year.

## 13. Fixed Rate Security provisions:

- (i) Interest Rate: [•] per cent per annum [payable annually/semi-annually/quarterly in arrears].
- (ii) Interest Payment Dates: [•] in each year.

## 14. Zero Coupon Security Provisions:

- (i) Annual yield: [•] per cent per annum.

**Provisions relating to redemption**

- 15. Redemption/Payment Basis: [Redemption at par].
- 16. Circumstances where Early Redemption Permitted: [N/A/Specify].
- 17. Early Redemption Amount: [Par].
- 18. Amortising Security provisions: [Applicable/N/A]
  - (i) Amortisation Dates: [•]
  - (ii) Principal Amount repayable on each Amortisation Date: \$[•]

**General provisions applicable to the Securities**

- 19. Governing Law: New Zealand.
- 20. Additional Selling Restrictions: [Specify] [N/A]
- 21. Additional conditions: [Specify] [N/A]
- 22. Registrar: [•].

**Ratings**

- 23. Ratings: [Specify] [N/A].

**Operational Information**

[insert as appropriate]

**NEW ZEALAND LOCAL GOVERNMENT  
FUNDING AGENCY LIMITED** by [insert  
Execution method]:

## SCHEDULE 4

### Form of Accession Deed

DEED dated [●].

#### PARTIES

[●]

("Acceding Party")

New Zealand Local Government Funding Agency Limited

("Subscriber")

pursuant to the Multi-issuer Deed defined below.

#### INTRODUCTION

- A. The Subscriber has agreed that the Acceding Party may accede to the Multi-issuer Deed as an "Issuer".
- B. This deed records the accession.

#### AGREEMENT:

##### 1. INTERPRETATION

- 1.1 **Interpretation:** In this deed:

"**Local Authority**" has the meaning given to it in the Local Government Act 2002.

"**Multi-issuer Deed**" means the deed dated 7 December 2011 (as amended and restated on [●]) between the Subscriber and various Local Authorities entitled "Multi-issuer Deed".

- 1.2 **Multi-issuer Deed:** Terms defined in the Multi-issuer Deed have the same meaning in this deed unless the context requires otherwise.
- 1.3 **Inconsistency:** In the event of any inconsistency between the terms of this deed and those of the Multi-issuer Deed, the terms of this deed will prevail in respect of the Acceding Party.

##### 2. ACCESSION

- 2.1 **Accession:** The Acceding Party hereby:

- (a) agrees with the Subscriber that with effect on and from the date of this deed, it will be bound by the Multi-issuer Deed as an Issuer as if it had been an original party thereto and named therein as an Issuer, and agrees to be bound by the terms of, and perform its obligations under, the Multi-issuer Deed; and
- (b) agrees that it will be bound by the special conditions (if any) set out in the annexure to this deed as if those were terms of the Multi-issuer Deed.

2.2 **Acknowledgement:** The Subscriber acknowledges and agrees to the accession made under this deed.

2.3 **Implied provisions:** For the purposes of section 14 of the Property Law Act 2007, the Acceding Party acknowledges that this deed is, and for all purposes and at all times shall be construed as being, supplemental to the Multi-issuer Deed.

### 3. NOTICE

The details for notices for the Acceding Party for the purposes of the Multi-issuer Deed are: *[specify]*

### 4. GOVERNING LAW

This deed shall be governed by the laws of New Zealand.

### 5. NO CROWN GUARANTEE

The obligations and liabilities of the [Acceding Party and] *[Delete bracketed text if Acceding Party is a CCO]* Subscriber under this deed and the Multi-issuer Deed are not guaranteed by the Crown.

### 6. COUNTERPARTS

This deed may be signed in any number of counterparts, all of which together constitute one and the same instrument, and any of the parties may execute this deed by signing any such counterpart.

#### EXECUTED AS A DEED

##### Acceding Party

**[LOCAL AUTHORITY/CCO]** by:

\_\_\_\_\_  
Signature of [Elected Member/Director]

\_\_\_\_\_  
Signature of [Elected Member/Director]

\_\_\_\_\_  
Name of [Elected Member/Director]

\_\_\_\_\_  
Name of [Elected Member/Director]

##### Subscriber

**NEW ZEALAND LOCAL GOVERNMENT  
FUNDING AGENCY LIMITED** by:

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Director

\_\_\_\_\_  
Name of Director

By signing the acknowledgement below, each entity identified in the annexure to this deed as a "CCO Shareholder":

- (a) acknowledges the terms of this deed and the Multi-Issuer Deed;
- (b) agrees to enter into any CCO Support Document to which it is expressed to be a party (as set out in the annexure to this deed); and
- (c) where it is identified in the annexure to this deed as a "LA Shareholder", agrees to the additional representations, undertakings and termination events specified to apply to it pursuant to the annexure to this deed.

**ACKNOWLEDGED BY:**

**[CCO SHAREHOLDER]** by:

\_\_\_\_\_  
Signature of [Elected Member/Director]

\_\_\_\_\_  
Signature of [Elected Member/Director]

\_\_\_\_\_  
Name of [Elected Member/Director]

\_\_\_\_\_  
Name of [Elected Member/Director]

## ANNEX TO THE ACCESSION DEED

*[Exemptions and any additional conditions relating to the Acceding Party to be included here.]*

*[Include text below if Acceding Party is a CCO]*

1. **CCO Shareholder:** As at the date of this deed, for the purposes of the Multi-issuer Deed, the CCO Shareholder[s] in respect of the Acceding Party is: *[specify, including each CCO Shareholder's holding and whether each is a LA Shareholder or Other Shareholder]*.
2. **CCO Credit Support:** As at the date of this deed, for the purposes of the Multi-issuer Deed, the CCO Credit Support is: *[specify, noting whether it reflects a "protected transaction" for any LA Shareholder]*.
3. **CCO Support Document:** As at the date of this deed, for the purposes of the Multi-issuer Deed, the CCO Support Document is: *[specify, including the Debenture Trust Deed and Security Stock Certificate where a LA shareholder is giving a CCO Guarantee]*.
4. **[CCO Negative Pledge and Covenant:** *[specify].]*
5. **Financial covenants:** *[For the purposes of clause 7.5 of the Multi-issuer Deed, the Acceding Party shall procure that [as at each Test Date for the financial year ending on that Test Date]: [specify financial covenants]]/[specify that no financial covenants apply]*
6. **Insolvency Event:** means the occurrence of any of the following events in relation to the Acceding Party or any CCO Shareholder, without the prior written consent of the Subscriber:
  - (a) it is declared or becomes bankrupt or insolvent or is unable to pay its debts when they fall due;
  - (b) it is presumed to be unable to pay its debts in accordance with section 287 of the Companies Act;
  - (c) a receiver, receiver and manager, liquidator, provisional or interim liquidator, or administrator is appointed in respect of it or any of its assets;
  - (d) an application is made to a court, a meeting is convened or a resolution is passed for it to be wound up or dissolved or for the appointment of a receiver, liquidator, provisional or interim liquidator, statutory manager or administrator to it or any of its assets and such application is not withdrawn or dismissed within **[●]** Business Days;

- (e) any step is taken to appoint, or with a view to appointing, a statutory manager (including the making of any recommendation in that regard by the Financial Markets Authority) under the Corporations (Investigation and Management) Act 1989 in respect of it, or it or any of its associated persons (as that term is defined in that Act) is declared at risk pursuant to the provisions of that Act;
- (f) it:
  - (i) resolves to enter into, or enters into, a scheme of arrangement, a deed of company arrangement, compromise or composition with its creditors or an assignment for their benefit;
  - (ii) proposes or is subject to a moratorium of its debts; or
  - (iii) takes proceedings or actions similar to those mentioned in this paragraph as a result of which its assets are, or are proposed to be, submitted to the control of its creditors;
- (g) it seeks or obtains protection from its creditors under any statute or any other law;
- (h) any attachment, distress, execution or other process is made or levied against any asset of it in an amount in excess of \$[•] (or its equivalent in any currency or currencies) and is not withdrawn, stayed or dismissed within [•] Business Days; or
- (i) an event occurs in relation to it which is analogous to anything referred to above or which has a substantially similar effect. *[Can be amended to reflect a CCO Shareholder's status]*.

- 7. **Permitted security interest (cl 6.1A(a)(xiv), (xv))** *[specify]/[None]*.
- 8. **Permitted disposal (cl 7.1A(a)(viii))**: *[specify]/[None]*.
- 9. **Permitted Distribution (cl 7.1A(a)(xii)(aa))**: *[specify]/[None]*.
- 10. **Permitted financial accommodation (cl 7.1A(a)(xiii))**: *[specify]/[None]*.
- 11. **Permitted acquisition (cl 7.1A(a)(xv))**: *[specify]/[None]*.
- 12. **Permitted merger (cl 7.1A(a)(ix))**: *[specify]/[None]*.
- 13. **Additional representations by the Acceding Party (cl 6.1A(a)(xviii))**: *[specify, including representations as to ranking obligations under the Multi-issuer Deed]/[None]*.
- 14. **Additional representations by each LA Shareholder (cl 6.1A(b)(viii))**: *[specify]/[None]*.

15. **Additional undertakings by the Acceding Party (cl 7.1A(a)(xxi)):** *[specify, including undertakings as to ranking of obligations under the Multi-issuer Deed]/[None]*.
16. **Additional undertakings by each LA Shareholder (cl 7.1A(b)(ix)(aa)):** *[specify]/[None]*.
17. **Additional termination event in respect of the Acceding Party (cl 7.8(d)):**  
*[specify]/[None]*.
18. **Additional termination event in respect of each LA Shareholder (cl 7.8(d)):**  
*[specify]/[None]*.
19. **Additional Events of Default in respect of the Acceding Party:**
  - (a) **Cross default:**
    - (i) any indebtedness of the Acceding Party is not paid when due nor within any originally applicable grace period;
    - (ii) any indebtedness of the Acceding Party is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an enforcement event, event of default, acceleration event or similar event (howsoever described);
    - (iii) any creditor of the Issuer becomes entitled to declare any indebtedness of the Issuer due and payable prior to its specified maturity as a result of an enforcement event, event of default, acceleration event or similar event (howsoever described),

provided that no Event of Default will occur under this provision if the aggregate amount of indebtedness or commitment for indebtedness falling within paragraphs (i) to (iii) above is less than \$[●] (or its equivalent in any other currency or currencies);

*[specify each additional Event of Default (if any)]*.
20. **Test Date:** For the purposes of the Multi-issuer Deed, the Test Date for the Acceding Party is: *[specify]* of each year.
21. **Exceptions:** For the purposes of the Multi-issuer Deed, the following amendments are made to clauses 6.1A, 7.1A, 7.8 and 7.9: *[specify]/[None]*.

## SCHEDULE 5

### Form of Term Sheet

*The term sheet in respect of each Tranche of Securities (other than EC Securities) will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the Securities and their issue. Text in this section appearing in italics does not form part of the term sheet but denotes directions for their completion.*



NEW ZEALAND  
LOCAL GOVERNMENT  
FUNDING AGENCY

SETTLEMENTS CONTACT  
EMAIL [LGFAtenderoperations@lgfa.co.nz](mailto:LGFAtenderoperations@lgfa.co.nz)  
PH 04 974 6530

### NZ LOCAL GOVERNMENT FUNDING AGENCY LIMITED TERM SHEET

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions ("Conditions") contained in the multi-issuer deed dated 7 December 2011 made by New Zealand Local Government Funding Agency Limited and various Local Authorities. This term sheet contains the final terms of the Securities and must be read in conjunction with the Conditions.

*[Include whichever of the following apply or specify as "Not Applicable" (N/A).]*

	LOCAL AUTHORITY LENDING SECURITY
LGFA Term Sheet Security Reference	[•]
Subscriber	New Zealand Local Government Funding Agency Limited
Issuer	[•]
Series Number	[•]
Tranche Number	[•]
Type of Securities	<i>[Fixed Rate Securities/Floating Rate Securities/Zero Coupon Securities/Amortising Security]</i>
Security Identifier	[•]
Aggregate Principal Amount	[•]
Issue Price	[•]% of the aggregate Principal Amount
Maturity Date	[•]
Fixed Interest Rate (if Fixed Rate Securities)	[•]
Trade Yield (if Fixed Rate Securities)	[•]



Base Rate + Margin (if Floating Rate Securities)	[●]
Pricing Date (if Fixed Rate Securities) / Interest Rate Set Date (if Floating Rate Securities)	[●]
Issue Date	[●]
Interest Accrual Start Date	[●]
First Interest Payment Date	[●]
Interest Payment Dates	[●]
Interest Periods	[●]
Date Roll (Interest Payment Date and Maturity Date)	[●]
Annual Yield (if Zero Coupon Securities)	[●]
Daycount Convention	Modified Following
Holidays (Business Day)	Christchurch, Wellington, Auckland
Minimum Subscription Amount/multiples	[●]
Governing Law	New Zealand
Additional conditions	[Specify] [N/A]
Registrar	[●]
Agency Agreement	[●]
CCO Support Documents	[specify each security and guarantee document] or [N/A if not a CCO Issuer]
CCO Credit Support	[specify each security and guarantee] or [N/A if not a CCO Issuer]
CCO Negative Pledge and Covenant	[specify full negative pledge (if applicable) and any permitted security interest. See definition of "CCO Negative Pledge and Covenant" in clause 1.1 of the Conditions] or [N/A if not a CCO Issuer]
Insolvency Event	<p>[The occurrence of any of the following events in relation to the Issuer or any CCO Shareholder, without the prior written consent of the Holders:</p> <p>(a) it is declared or becomes bankrupt or insolvent or is unable to pay its debts when they fall due;</p>

	<p>(b) it is presumed to be unable to pay its debts in accordance with section 287 of the Companies Act;</p> <p>(c) a receiver, receiver and manager, liquidator, provisional or interim liquidator, or administrator is appointed in respect of it or any of its assets;</p> <p>(d) an application is made to a court, a meeting is convened or a resolution is passed for it to be wound up or dissolved or for the appointment of a receiver, liquidator, provisional or interim liquidator, statutory manager or administrator to it or any of its assets and such application is not withdrawn or dismissed within <b>[•]</b> Business Days;</p> <p>(e) any step is taken to appoint, or with a view to appointing, a statutory manager (including the making of any recommendation in that regard by the Financial Markets Authority) under the Corporations (Investigation and Management) Act 1989 in respect of it, or it or any of its associated persons (as that term is defined in that Act) is declared at risk pursuant to the provisions of that Act;</p> <p>(f) it:</p> <ul style="list-style-type: none"> <li>(i) resolves to enter into, or enters into, a scheme of arrangement, a deed of company arrangement, compromise or composition with its creditors or an assignment for their benefit;</li> <li>(ii) proposes or is subject to a moratorium of its debts; or</li> <li>(iii) takes proceedings or actions similar to those mentioned in this paragraph as a result of which its assets are, or are proposed to be, submitted to the control of its creditors;</li> </ul> <p>(g) it seeks or obtains protection from its creditors under any statute or any other law;</p>
--	--

	<p>(h) any attachment, distress, execution or other process is made or levied against any asset of it in an amount in excess of \$[●] (or its equivalent in any currency or currencies) and is not withdrawn, stayed or dismissed within [●] Business Days; or</p> <p>(i) an event occurs in relation to it which is analogous to anything referred to above or which has a substantially similar effect. <i>[Can be amended to reflect a CCO Shareholder's status] or [N/A if not a CCO Issuer]</i></p>
Additional Event of Default	<p>(a) <b>Cross default:</b></p> <p>(i) any indebtedness of the Issuer is not paid when due nor within any originally applicable grace period;</p> <p>(ii) any indebtedness of the Issuer is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an enforcement event, event of default, acceleration event or similar event (howsoever described);</p> <p>(iii) any creditor of the Issuer becomes entitled to declare any indebtedness of the Issuer due and payable prior to its specified maturity as a result of an enforcement event, event of default, acceleration event or similar event (howsoever described),</p> <p>provided that no Event of Default will occur under this provision if the aggregate amount of indebtedness or commitment for indebtedness falling within paragraphs (i) to (iii) above is less than \$[●] (or its equivalent in any other currency or currencies).</p> <p><i>[specify each additional Event of Default (if any)]</i></p>

**NEW ZEALAND LOCAL GOVERNMENT  
FUNDING AGENCY LIMITED** by *[insert  
Execution method]*:

*[Insert execution block for local authority]*

*[For the avoidance of doubt, term sheets may include the terms of the corresponding Borrower Notes at the Subscriber's sole discretion and such inclusion shall not invalidate the relevant term sheet]*

## SCHEDULE 6

### Form of Notice of Commitment for EC Securities

**To:** New Zealand Local Government Funding Agency Limited ("**Subscriber**")  
**Attention:** { }

**Email:** { }  
**Date:** { }

**Re:** Multi-issuer Deed dated 7 December 2011 ("**Deed**")

Terms defined in the Deed have the same meaning in this Notice of Commitment unless the context requires otherwise.

1. For the purpose of clause 4.2(b) of the Deed, the Issuer hereby irrevocably and unconditionally offers to issue the EC Securities on the terms contained in the preliminary Final Terms enclosed with this notice.
2. The Issuer requests that the Subscriber accepts the above offer for the purposes of clause 4.2 of the Deed by counter-signing and returning to the Issuer a duplicate copy of this Notice of Commitment.

Yours faithfully  
 [Local Authority]

\_\_\_\_\_  
 Signature of officer

The Subscriber hereby accepts the offer of the issuance of the EC Securities described in this notice, such acceptance subject to the conditions specified in clause 4.5 of the Deed.

**NEW ZEALAND LOCAL GOVERNMENT  
 FUNDING AGENCY LIMITED** by:

\_\_\_\_\_  
 Signature of director

\_\_\_\_\_  
 Signature of director

\_\_\_\_\_  
 Name of director

\_\_\_\_\_  
 Name of director

Date: [•]

**[Attach preliminary Final Terms]**

## SCHEDULE 7

### Form of Compliance Certificate

To: New Zealand Local Government Funding Agency Limited

Attention: { }

Email: { }

Date: { }

Re: Multi-issuer Deed dated 7 December 2011 ("**Deed**")

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Terms defined in the Deed have the same meanings in this Compliance Certificate unless the context requires otherwise.

1. This certificate is given to you pursuant to clause 7.5 of the Deed.
2. For the purposes of this certificate the Test Date is *[insert date]*.
3. I, *[name]* the *[insert position of Authorised Signatory]* of *[Council name]* Council ("**Issuer**") certify that to the best of my knowledge and belief, having made due enquiry the covenants and ratios detailed in appendix A (comparing actual performance to the financial covenant) were true and correct in all respects as at the Test Date.
- [4. The Issuer provides the following details relating to breaches of the covenants and ratios detailed in appendix A (if any) as at the Test Date: *[insert details]*].

Dated: [•]

*[name of Issuer]* by:

---

*[Authorised Signatory]*

### APPENDIX A TO COMPLIANCE CERTIFICATE

Financial Covenant (clause 7.5)	Required Performance (%)	Actual Performance (%)
Net Debt: Total Revenue	<i>[insert]</i>	<i>[insert]</i>
Net Interest: Total Revenue	<i>[insert]</i>	<i>[insert]</i>
Net Interest: Annual Rates Income	<i>[insert]</i>	<i>[insert]</i>
Available Financial Accommodation: External Indebtedness	<i>[insert]</i>	<i>[insert]</i>

#### Financial Covenant Components

Net Debt	<i>[insert]</i>
Total Revenue	<i>[insert]</i>
Net Interest	<i>[insert]</i>
Annual Rates Income	<i>[insert]</i>
Available Financial Accommodation	<i>[insert]</i>
External indebtedness	<i>[insert]</i>

*[insert/attach supporting information used to determine relevant financial covenant components, including providing details of various amounts at Issuer and/or Consolidated Group depending on parameters that apply under the Deed]*





# Amendment and Restatement Deed (Notes Subscription Agreement)

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## **PARTIES**

New Zealand Local Government Funding Agency Limited

### **Issuer**

The Local Authorities listed in Schedule 1

### **Subscribers**

DEED dated

2020

## PARTIES

New Zealand Local Government Funding Agency Limited  
("Issuer")

The Local Authorities listed in Schedule 1  
("Subscribers" and each a "Subscriber")

## INTRODUCTION

The parties wish to amend and restate the Notes Subscription Agreement as set out in this deed.

## COVENANTS

### 1. INTERPRETATION

#### 1.1 Definitions: In this deed:

"**Notes Subscription Agreement**" means the notes subscription agreement dated 7 December 2011 (as amended and restated on 4 June 2015) between the Issuer and the Subscribers.

"**Effective Date**" means the date notified by the Issuer as the Effective Date in accordance with clause 2.1.

#### 1.2 **Notes Subscription Agreement definitions:** Words and expressions defined in the Notes Subscription Agreement (as amended by this deed) have, except to the extent the context requires otherwise, the same meaning in this deed.

#### 1.3 **Miscellaneous:**

- (a) Headings are inserted for convenience only and do not affect interpretation of this deed.
- (b) References to a person include that person's successors, permitted assigns, executors and administrators (as applicable).
- (c) Unless the context otherwise requires, the singular includes the plural and vice versa and words denoting individuals include other persons and vice versa.
- (d) A reference to any legislation includes any statutory regulations, rules, orders or instruments made or issued pursuant to that legislation and any amendment to, re-enactment of, or replacement of, that legislation.
- (e) A reference to any document includes reference to that document as amended, modified, novated, supplemented, varied or replaced from time to time.

- (f) Unless otherwise stated, reference to a clause or schedule is a reference to a clause of or schedule to this deed.
- (g) A reference to "including", "for example" or "such as", when introducing an example, does not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

## 2. CONDITIONS PRECEDENT

- 2.1 **Effective Date:** The Effective Date shall be the date the Issuer confirms to the Subscribers that it has received, and found satisfactory to it in form and substance, the documents and evidence specified in schedule 2.

## 3. AMENDMENT AND RESTATEMENT

- 3.1 **Amendment and restatement:** With effect on and from the Effective Date, the Notes Subscription Agreement shall be amended and restated in the form set out in the appendix to this deed in accordance with clause 14.1 of the Notes Subscription Agreement.
- 3.2 **Full force and effect:** Except to the extent amended by this deed, the Notes Subscription Agreement remains in full force and effect.

## 4. SUBSCRIBERS ACKNOWLEDGEMENTS AND CONFIRMATIONS

- 4.1 **Notice details:** Each Subscriber confirms that its current notice details for the purposes of clause 13 of the Notes Subscription Agreement are as set out in schedule 1.
- 4.2 **Existing Borrower Notes:** Each Subscriber and the Issuer agrees that the Notes Subscription Agreement (as amended by this deed) applies to all existing Borrower Notes issued by the Issuer to that Subscriber.

## 5. GENERAL

- 5.1 **Counterparts:** This deed may be executed in any number of counterparts, and this shall have the same effect as if the signatures on the counterparts were on a single copy of this deed.
- 5.2 **Governing law:** This deed is governed by, and construed in accordance with, New Zealand law. The parties submit to the non-exclusive jurisdiction of the courts of New Zealand.

**EXECUTED AS A DEED****The Subscribers****ASHBURTON DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**AUCKLAND COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**BAY OF PLENTY REGIONAL COUNCIL**  
by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**BULLER DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member

**CANTERBURY REGIONAL COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**CARTERTON DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**CENTRAL HAWKE'S BAY DISTRICT  
COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**CHRISTCHURCH CITY COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**CLUTHA DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**FAR NORTH DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**GISBORNE DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**GORE DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**GREY DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of Elected Member

\_\_\_\_\_  
Signature of Elected Member

\_\_\_\_\_  
Name of Elected Member

\_\_\_\_\_  
Name of Elected Member

**HAMILTON CITY COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**HASTINGS DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**HAURAKI DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**HAWKE'S BAY REGIONAL COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**HOROWHENUA DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**HURUNUI DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**HUTT CITY COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member



**INVERCARGILL CITY COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**KAIKOURA DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**KAIPARA DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**KAPITI COAST DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member

**MACKENZIE DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**MANAWATU DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**MANAWATŪ-WHANGANUI REGIONAL  
COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**MARLBOROUGH DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**MASTERTON DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**MATAMATA-PIAKO DISTRICT COUNCIL**  
by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**NELSON CITY COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**NEW PLYMOUTH DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member

**NORTHLAND REGIONAL COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**ŌPŌTIKI DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**ŌTOROHANGA DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**PALMERSTON NORTH CITY COUNCIL**  
by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member

**PORIRUA CITY COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**QUEENSTOWN-LAKES DISTRICT  
COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**RANGITIKEI DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**ROTORUA DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**RUAPEHU DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**SELWYN DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**SOUTH TARANAKI DISTRICT COUNCIL**  
by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**SOUTH WAIRARAPA DISTRICT COUNCIL**  
by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member

**STRATFORD DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**TARANAKI REGIONAL COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**TARARUA DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**TASMAN DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**TAUPO DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**TAURANGA CITY COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**THAMES-COROMANDEL DISTRICT  
COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**TIMARU DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member



**UPPER HUTT CITY COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**WAIKATO DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**WAIKATO REGIONAL COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**WAIMAKARIRI DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member

**WAIPA DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**WAIROA DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**WAITOMO DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**WELLINGTON CITY COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member

**WELLINGTON REGIONAL COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**WEST COAST REGIONAL COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**WESTERN BAY OF PLENTY DISTRICT  
COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**WESTLAND DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member

**WHAKATANE DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**WHANGANUI DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**WHANGAREI DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**The Issuer****NEW ZEALAND LOCAL GOVERNMENT  
FUNDING AGENCY LIMITED** by:\_\_\_\_\_  
Signature of director\_\_\_\_\_  
Signature of director\_\_\_\_\_  
Name of director\_\_\_\_\_  
Name of director

**SCHEDULE 1****Subscribers**

<b>Local Authority name:</b>	<b>Debenture Trust Deed, Agency Agreement and Registrar details:</b>	<b>Details for notices:</b>
Ashburton District Council	<p>Debenture Trust Deed between Ashburton District Council and Trustees Executors Limited dated 23 April 2010.</p> <p>Registrar and Paying Agency Agreement between Ashburton District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 13 April 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Ashburton District Council 5 Baring Square West Ashburton</p> <p>Postal Address: Ashburton District Council PO Box 94 Ashburton 7740</p> <p>Email: Rachel.Sparks@adc.govt.nz Attention: Finance Manager</p>
Auckland Council	<p>Debenture Trust Deed between Auckland Council and Trustees Executors Limited dated 2 December 2010, as amended from time to time and most recently on 25 May 2016.</p> <p>Registrar and Paying Agency Agreement between Auckland Council and Computershare Investor Services Limited dated 5 November 2010, as amended from time to time and most recently on 12 December 2017.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: 135 Albert Street Auckland 1010</p> <p>Postal Address: Private Bag 92300 Victoria Street West Auckland 1142</p> <p>Email: john.bishop@aucklandcouncil.govt.nz Attention: John Bishop, Group Treasurer</p>
Bay Of Plenty Regional Council	<p>Debenture Trust Deed between Bay of Plenty Regional Council and Trustees Executors Limited dated on or about 30 November 2011.</p>	<p>Delivery Address: 5 Quay Street Whakatāne</p>

	<p>Registrar and Paying Agency Agreement between Bay of Plenty Regional Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Postal Address: P O Box 364 Whakatāne 3158</p> <p>Email: mat.taylor@boprc.govt.nz</p> <p>Attention: Mat Taylor</p>
Buller District Council	<p>Debenture Trust Deed between Buller District Council and Corporate Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 20 October 2015.</p> <p>Registry Customer Agreement between Buller District Council and Link Market Services Limited dated 20 October 2015.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: Buller District Council 6-8 Brougham Street Westport</p> <p>Attention: Wendy Thompson, Financial Accountant</p>
Canterbury Regional Council	<p>Debenture Trust Deed between Canterbury Regional Council and Trustees Executors Limited dated 21 September 2015.</p> <p>Registry Customer Agreement between Canterbury Regional Council and Link Market Services Limited dated 21 September 2015.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: 200 Tuam Street Christchurch 8140</p> <p>Attention: Chief Financial Officer</p> <p>Postal Address: PO Box 345 Christchurch</p>
Carterton District Council	<p>Debenture Trust Deed between Carterton District Council and</p>	<p>Delivery Address: Carterton District Council</p>

	<p>Covenant Trustee Services Limited dated 18 February 2020.</p> <p>Registry Customer Agreement between Carterton District Council and Link Market Services Limited dated 18 February 2020.</p> <p>Registrar: Link Market Services Limited</p>	<p>28 Holloway Street</p> <p>CARTERTON 5713</p> <p>Attention: Jane Davis</p> <p>Email: jane.davis@cdc.govt.nz</p> <p>Postal Address:</p> <p>Carterton District Council</p> <p>PO Box 9</p> <p>CARTERTON 5713</p>
Central Hawke's Bay District Council	<p>Debenture Trust Deed between Central Hawke's Bay District Council and Covenant Trustee Services Limited dated 12 July 2016.</p> <p>Registrar and Paying Agency Agreement between Central Hawke's Bay District Council and Computershare Investor Services Limited dated 2 April 2004, as amended from time to time and most recently on 12 July 2016.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>Central Hawke's Bay District Council</p> <p>28-32 Ruataniwha Street</p> <p>Waipawa 4240</p> <p>Attention:</p> <p>Chief Executive Officer</p> <p>Facsimile:</p> <p>(06) 857 7179</p> <p>Email:</p> <p>info@chbdc.govt.nz</p>
Christchurch City Council	<p>Debenture Trust Deed between Christchurch City Council and Trustees Executors Limited dated 26 March 2007, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Christchurch City Council and Computershare</p>	<p>Delivery Address:</p> <p>Civic Offices</p> <p>53 Hereford Street</p> <p>Christchurch</p> <p>Postal Address:</p> <p>P O Box 73016</p> <p>Christchurch 8154</p> <p>Email: Treasury@ccc.govt.nz</p>

	<p>Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Attention: Andrew Jefferies</p>
Clutha District Council	<p>Debenture Trust Deed between Clutha District Council and Trustees Executors Limited dated 21 December 2018.</p> <p>Registry Customer Agreement between Clutha District Council and Link Market Services Limited dated 21 December 2018.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address:</p> <p>Clutha District Council 1 Rosebank Terrace Balclutha 9230</p> <p>Attention:</p> <p>John Scott</p> <p>Email:</p> <p>john-scott@cluthadc.govt.nz</p> <p>Postal Address:</p> <p>PO Box 25 Rosebank Terrace Balclutha 9240</p>
Far North District Council	<p>Debenture Trust Deed between Far North District Council and Trustees Executors Limited dated 31 May 2011, as amended from time to time and most recently on 13 February 2013.</p> <p>Registrar and Paying Agency Agreement between Far North District Council and Computershare Investor Services Limited dated 14 April 2004, as amended from time to time and most recently on 14 February 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>Memorial Avenue, Kaikohe</p> <p>Postal Address:</p> <p>Private Bag 752, Kaikohe 0440</p> <p>Email: William.taylor@fndc.govt.nz Janice.smith@fndc.govt.nz</p> <p>Attention: General Manager, Corporate Services</p>



Gisborne District Council	<p>Debenture Trust Deed between Gisborne District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 6 August 2003, as amended from time to time and most recently on 28 November 2012.</p> <p>Registrar and Paying Agency Agreement between Gisborne District Council and Link Market Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2012.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: 15 Fitzherbert Street Gisborne</p> <p>Postal Address: PO Box 747 Gisborne 4010</p> <p>Email: <a href="mailto:treasury@gdc.govt.nz">treasury@gdc.govt.nz</a></p> <p>Attention: Pauline Foreman</p>
Gore District Council	<p>Debenture Trust Deed between Gore District Council and Trustees Executors Limited dated 9 March 2016.</p> <p>Registry Customer Agreement between Gore District Council and Link Market Services Limited dated 9 March 2016.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: Gore District Council 29 Bowler Avenue Gore 9740</p> <p>Attention: Chief Financial Officer</p> <p>Facsimile: (03) 209 0330</p> <p>Email: <a href="mailto:info@goredc.govt.nz">info@goredc.govt.nz</a></p> <p>Postal Address: PO Box 8 Gore 9740</p>

Grey District Council	<p>Debenture Trust Deed between Grey District Council and Trustees Executors Limited dated 28 March 2013.</p> <p>Registrar and Paying Agency Agreement between Grey District Council and Computershare Investor Services Limited dated 28 March 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: 105 Tainui Street Greymouth 7805</p> <p>Postal Address: PO Box 382 Greymouth 7840</p> <p>Email: <a href="mailto:finance@greydc.govt.nz">finance@greydc.govt.nz</a> Attention: Corporate Services Manager</p>
Hamilton City Council	<p>Debenture Trust Deed between Hamilton City Council and Trustees Executors Limited dated 19 June 2001, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Hamilton City Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: 260 Anglesea Street Council Building Garden Place Hamilton 3240</p> <p>Postal Address: Private Bag 3010 Hamilton 3240</p> <p>Email: <a href="mailto:david.bryant@hcc.govt.nz">david.bryant@hcc.govt.nz</a> Attention: David Bryant</p>
Hastings District Council	<p>Debenture Trust Deed between Hastings District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 16 March 2007, as amended from time to time and most recently on 30 November 2011.</p>	<p>Delivery Address: 207 Lyndon Road East Hastings 4122</p> <p>Postal Address: Private Bag 9002 Hastings 4156</p> <p>Email: <a href="mailto:brucea@hdc.govt.nz">brucea@hdc.govt.nz</a></p>

	<p>Registrar and Paying Agency Agreement between Hastings District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Attention: Bruce Allan</p>
Hauraki District Council	<p>Debenture Trust Deed between Hauraki District Council and Trustees Executors Limited dated 29 November 2012.</p> <p>Registrar and Paying Agency Agreement between Hauraki District Council and Computershare Investor Services Limited dated 29 November 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>William Street Paeroa 3600</p> <p>Postal Address:</p> <p>PO Box 17 Paeroa 3640</p> <p>Email: <a href="mailto:info@hauraki-dc.govt.nz">info@hauraki-dc.govt.nz</a></p> <p>Attention: Corporate Services Group Manager</p>

<p>Hawke's Bay Regional Council</p>	<p>Debenture Trust Deed between Hawke's Bay Regional Council and Covenant Trustee Services Limited dated 20 March 2019.</p> <p>Registrar and Paying Agent Services Agreement between Hawke's Bay Regional Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 20 March 2019.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>Hawke's Bay Regional Council 159 Dalton Street Napier 4110</p> <p>Attention: Bronda Smith</p> <p>Email: bronda.smith@hbrc.govt.nz</p> <p>Postal Address:</p> <p>Hawke's Bay Regional Council Private Bag 6006 Napier 4142</p>
<p>Horowhenua District Council</p>	<p>Debenture Trust Deed between Horowhenua District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 27 April 2010, as amended from time to time and most recently on 28 November 2012.</p> <p>Registrar and Paying Agency Agreement between Horowhenua District Council and Computershare Investor Services Limited dated 23 March 2004, as amended from time to time and most recently on 28 November 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>126 - 148 Oxford Street Levin 5510</p> <p>Postal Address:</p> <p>Private Bag 4002 Levin 5540</p> <p>Email: dougl@horowhenua.govt.nz</p> <p>Attention: Doug Law</p>
<p>Hurunui District Council</p>	<p>Debenture Trust Deed between Hurunui District Council and Perpetual Trust Limited (and now between the Council and Covenant</p>	<p>Delivery Address:</p> <p>66 Carters Road (SH1) Amberley 7410</p>

	<p>Trustee Services Limited) dated 27 May 2010, as amended from time to time and most recently on 31 October 2013.</p> <p>Registrar and Paying Agency Agreement between Hurunui District Council and Computershare Investor Services Limited dated 27 May 2010, as amended from time to time and most recently on 31 October 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Postal Address:</p> <p>PO Box 13</p> <p>Amberley 7441</p> <p>North Canterbury</p> <p>Email: jason.beck@hurunui.govt.nz</p> <p>Attention: Jason Beck</p>
Hutt City Council	<p>Debenture Trust Deed between Hutt City Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 6 August 1998, as amended from time to time and most recently on 30 November 2012.</p> <p>Registrar and Paying Agency Agreement between Hutt City Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 18 February 2014.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>30 Laings Road</p> <p>Lower Hutt</p> <p>Postal Address:</p> <p>Private bag 31912</p> <p>Lower Hutt 5040</p> <p>Email:</p> <p>glenn.phillips@huttcity.govt.nz</p> <p>Attention: Glenn Usoali'i-Phillips</p>
Invercargill City Council	<p>Debenture Trust Deed between Invercargill City Council and Trustees Executors Limited dated 22 October 2015, as amended from</p>	<p>Delivery Address:</p> <p>Invercargill City Council</p> <p>Attention: Dave Foster</p> <p>Email: dave.foster@icc.govt.nz</p>

	<p>time to time and most recently on 2 April 2019.</p> <p>Registrar and Paying Agent Services Agreement between Invercargill City Council and Computershare Investor Services Limited dated 22 October 2015, as amended from time to time and most recently on 2 April 2019.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Postal Address:</p> <p>Invercargill City Council</p> <p>Private Bag 90104</p> <p>Invercargill 9840</p>
Kaikoura District Council	<p>Debenture Trust Deed between Kaikoura District Council and Covenant Trustee Services Limited dated 20 December 2019.</p> <p>Registry Customer Agreement between Kaikoura District Council and Link Market Services Limited dated 20 December 2019.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address:</p> <p>Kaikoura District Council</p> <p>96 West End</p> <p>Kaikoura 7340</p> <p>Attention: Sheryl Poulsen</p> <p>Email:</p> <p>Sheryl.poulsen@kaikoura.govt.nz</p> <p>Postal Address:</p> <p>Kaikoura District Council</p> <p>PO Box 6</p> <p>Kaikoura 7340</p>
Kaipara District Council	<p>Debenture Trust Deed between Kaipara District Council and Corporate Trust Limited (trading as Foundation Corporate Trust) (and now between the Council and Covenant Trustee Services Limited) dated 13 September 2013.</p> <p>Registrar and Paying Agency Agreement between Kaipara District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time</p>	<p>Delivery Address:</p> <p>42 Hokianga Road</p> <p>Dargaville</p> <p>Attention:</p> <p>General Manager Sustainable Growth and Investment</p> <p>Email:</p> <p>sdavidson@kaipara.govt.nz</p> <p>Postal Address:</p> <p>Private Bag 1001</p>

	<p>to time and most recently on 22 March 2016.</p> <p>Registrar: Computershare Investor Services Limited</p>	Dargaville 0340
Kapiti Coast District Council	<p>Debenture Trust Deed between Kāpiti Coast District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 19 September 2012.</p> <p>Registrar and Paying Agency Agreement between Kāpiti Coast District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 28 June 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>Council Offices 175 Rimu Road Paraparaumu 5032</p> <p>Postal Address:</p> <p>Private Bag 60-601 Paraparaumu 5254</p> <p>Email:</p> <p>wayne.maxwell@kapiticoast.govt.nz Attention: Wayne Maxwell</p> <p>Email:</p> <p>mark.dehaast@kapiticoast.govt.nz Attention: Mark de Haast</p> <p>Email:</p> <p>david.wilson@kapiticoast.govt.nz Attention: David Wilson</p>
Mackenzie District Council	<p>Debenture Trust Deed between Mackenzie District Council and Trustees Executors Limited dated 21 December 2018.</p> <p>Registry Customer Agreement between Mackenzie District Council and Link Market Services Limited dated 21 December 2018.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address:</p> <p>Mackenzie District Council 53 Main Street FAIRLIE 7925</p> <p>Attention:</p> <p>Adrian Hodgett</p> <p>Email:</p> <p>adrian@mackenzie.govt.nz</p>

		<p>Postal Address:</p> <p>PO Box 52</p> <p>Main Street</p> <p>FAIRLIE 7949</p>
Manawatu District Council	<p>Debenture Trust Deed between Manawatu District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 26 September 2012.</p> <p>Registrar and Paying Agency Agreement between Manawatu District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 28 September 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>135 Manchester Street</p> <p>Fielding</p> <p>Postal Address:</p> <p>Private Bag 10001</p> <p>Fielding 4743</p> <p>Email:</p> <p>amanda.calman@mdc.govt.nz</p> <p>Attention: Amanda Calman</p>
Manawatū-Whanganui Regional Council (which trades as Horizons Regional Council)	<p>Debenture Trust Deed between Horizons Regional Council and Trustees Executors Limited dated 28 July 2008, as amended from time to time and most recently on 9 September 2013.</p> <p>Registrar and Paying Agency Agreement between Horizons Regional Council and Computershare Investor Services Limited dated 28 July 2008, as amended from time to time and most recently on 4 September 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>11-15 Victoria Avenue</p> <p>Palmerston North</p> <p>Postal Address:</p> <p>Private Bag 11025</p> <p>Manawatu Mail Centre</p> <p>Palmerston North</p> <p>Email: treasury@horizons.govt.nz</p> <p>Attention: Adrian Smith</p>



Marlborough District Council	<p>Debenture Trust Deed between Marlborough District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 10 December 2010, as amended from time to time and most recently on 30 November 2012.</p> <p>Registrar and Paying Agency Agreement between Marlborough District Council and Computershare Investor Services Limited dated 5 October 2010, as amended from time to time and most recently on 30 November 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: 15 Seymour Street Seymour Square Blenheim 7201</p> <p>Postal Address: PO Box 443 Blenheim 7240</p> <p>Email: Martin.Fletcher@marlborough.govt.nz Borrowings@marlborough.govt.nz Attention: Martin Fletcher/Adrian Ferris</p>
Masterton District Council	<p>Debenture Trust Deed between Masterton District Council and Trustees Executors Limited dated 26 June 2007, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Masterton District Council and Computershare Investor Services Limited dated 18 June 2007, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: 27 Lincoln Road Masterton 5810</p> <p>Postal Address: PO Box 444 Masterton 5840</p> <p>Email: davidp@mstn.govt.nz</p> <p>Attention: Manager Finance</p>
Matamata-Piako District Council	<p>Debenture Trust Deed between Matamata-Piako District Council and Trustees Executors Limited dated 9 May 2011, as amended from time to</p>	<p>Delivery Address: 35 Kenrick Street Te Aroha</p>

	<p>time and most recently on 13 February 2013.</p> <p>Registrar and Paying Agency Agreement between Matamata-Piako District Council Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 13 February 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Postal Address:</p> <p>PO Box 266</p> <p>Te Aroha</p> <p>Email: danglesey@mpdc.govt.nz lrushbrooke@mpdc.govt.nz</p> <p>Attention: Finance and Business Service Manager / Deputy Finance Manager</p>
Nelson City Council	<p>Debenture Trust Deed between Nelson City Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 10 December 2010, as amended from time to time and most recently on 2 April 2013.</p> <p>Registry Customer Agreement between Nelson City Council and Link Market Services Limited dated 10 December 2010, as amended from time to time and most recently on 2 April 2013.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address:</p> <p>Civic House</p> <p>110 Trafalgar Street</p> <p>Nelson 7010</p> <p>Postal Address:</p> <p>PO Box 645</p> <p>Nelson 7040</p> <p>Email: Nikki.harrison@ncc.govt.nz</p> <p>Attention: Group Manager Corporate Services</p>
New Plymouth District Council	<p>Debenture Trust Deed between New Plymouth District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 21 May 2009, as amended from time to time and most recently on 30 November 2011.</p>	<p>Delivery Address:</p> <p>Liardet St</p> <p>New Plymouth</p> <p>Postal Address:</p> <p>Private Bag 2025</p> <p>New Plymouth 4342</p>

	<p>Registrar and Paying Agency Agreement between New Plymouth District Council and Computershare Investor Services Limited dated 16 March 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Email: alison.trustrumrainey@npdc.govt.nz / carla.freeman@npdc.govt.nz</p> <p>Attention: Alison TrustrumRainey / Carla Freeman</p>
Northland Regional Council	<p>Debenture Trust Deed between Northland Regional Council and Trustees Executors Limited dated 6 July 2015.</p> <p>Registry Customer Agreement between Northland Regional Council and Link Market Services Limited dated 6 July 2015.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: Northland Regional Council 36 Water St Whangarei 0110</p> <p>Attention: Chief Executive Officer</p> <p>Facsimile: (09) 470 1202</p> <p>Email: malcolmn@nrc.govt.nz, with a copy to mailroom@nrc.govt.nz</p> <p>Postal Address: 36 Water St Whangarei 0110</p>
Ōpōtiki District Council	<p>Debenture Trust Deed between Ōpōtiki District Council and Trustees Executors Limited dated 11 November 2014.</p> <p>Registrar and Paying Agency Agreement between Ōpōtiki District Council and Computershare Investor Services Limited dated 1</p>	<p>Delivery Address: Ōpōtiki District Council 108 St John Street Ōpōtiki 3122</p> <p>Postal Address: PO Box 44</p>

	<p>April 2004, as amended from time to time and most recently on 11 November 2014.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Ōpōtiki 3162</p> <p>Email: GregoryR@odc.govt.nz</p> <p>Attention: Gregory Robertson</p>
Ōtorohanga District Council	<p>Debenture Trust Deed between Ōtorohanga District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Ōtorohanga District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>17 Maniapoto Street Ōtorohanga 3940</p> <p>Postal Address</p> <p>PO Box 11 Ōtorohanga 3940</p> <p>Email: grahamb@otodc.govt.nz</p> <p>Attention: Graham Bunn</p>
Palmerston North City Council	<p>Debenture Trust Deed between Palmerston North City Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 18 February 1999, as amended from time to time and most recently on 4 April 2012.</p> <p>Registrar and Paying Agency Agreement between Palmerston North City Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 10 April 2012.</p>	<p>Delivery Address:</p> <p>32 The Square Palmerston North 4410</p> <p>Postal Address:</p> <p>Private Bag 11034 Palmerston North</p> <p>Email:</p> <p>steve.paterson@pncc.govt.nz</p> <p>Attention: Strategy Manager Finance</p>

	Registrar: Computershare Investor Services Limited	
Porirua City Council	<p>Debenture Trust Deed between Porirua City Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 16 September 1997, as amended from time to time and most recently on 1 August 2014).</p> <p>Registrar and Paying Agency Agreement between Porirua City Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 July 2014.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>16 Cobham Court Porirua 5022</p> <p>Postal Address:</p> <p>PO Box 50218 Porirua 5240</p> <p>Email:</p> <p>stephen.woolley@porirua.govt.nz</p> <p>Attention: Stephen Woolley</p>
Queenstown-Lakes District Council	<p>Debenture Trust Deed between Queenstown Lakes District Council and Perpetual Trust Limited (trading as Foundation Corporate Trust) (and now between the Council and Covenant Trustee Services Limited) dated 28 September 2009, as amended from time to time and most recently on 14 February 2013.</p> <p>Registrar and Paying Agency Agreement between Queenstown Lakes District Council and Computershare Investor Services Limited dated 3 December 2003, as amended from time to time and most recently on 13 February 2013.</p>	<p>Delivery Address:</p> <p>10 Gorge Road Queenstown 9300</p> <p>Postal Address:</p> <p>Private Bag 50072 Queenstown 9348</p> <p>Email: services@qldc.govt.nz</p> <p>Attention: Chief Financial Officer</p>

	Registrar: Computershare Investor Services Limited	
Rangitikei District Council	<p>Debenture Trust Deed between Rangitikei District Council and Trustees Executors Limited dated 18 December 2017.</p> <p>Registry Customer Agreement between Rangitikei District Council and Link Market Services Limited dated 18 December 2017.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address:</p> <p>Rangitikei District Council 46 High Street Marton 4741</p> <p>Attention:</p> <p>Joanne Devine</p> <p>Email:</p> <p>jo.devine@rangitikei.govt.nz</p> <p>Postal Address:</p> <p>Private Bag 1102 Marton 4741</p>
Rotorua District Council	<p>Debenture Trust Deed between Rotorua District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 22 December 1998, as amended from time to time and most recently on 14 February 2013.</p> <p>Registrar and Paying Agency Agreement between Rotorua District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 18 February 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>Civic Centre 1061 Haupapa Street Rotorua</p> <p>Postal Address:</p> <p>Private Bag 3029 Rotorua Mail Centre Rotorua</p> <p>Email: Thomas.colle@rdc.govt.nz</p> <p>Attention: Thomas Colle</p>
Ruapehu District Council	Debenture Trust Deed between Ruapehu District Council and	Delivery Address: Ruapehu District Council

	<p>Trustees Executors Limited dated 3 July 2018.</p> <p>Registrar and Paying Agency Agreement between Ruapehu District Council and Computershare Investor Services Limited dated 3 July 2018.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>59 - 63 Huia Street Taumarunui 3920</p> <p>Attention: Alan Young</p> <p>Email: Alan.young@ruapehudc.govt.nz</p> <p>Postal Address: Private Bag 1001 Taumarunui 3946</p>
Selwyn District Council	<p>Debenture Trust Deed between Selwyn District Council and Trustees Executors Limited dated 17 July 2009, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Selwyn District Council and Computershare Investor Services Limited dated 17 July 2009, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: 2 Norman Kirk Drive Rolleston</p> <p>Postal Address: P O Box 90 Rolleston 7643</p> <p>Email: Treasury.management@selwyn.govt.nz</p> <p>Attention: Greg Bell</p>
South Taranaki District Council	<p>Debenture Trust Deed between South Taranaki District Council and Trustees Executors Limited dated 21 December 2007, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between South Taranaki District Council and</p>	<p>Delivery Address: 105-111 Albion Street Hawera 4610</p> <p>Postal Address: Private Bag 902 Hawera 4640</p> <p>Email: Vipul.mehta@stdc.govt.nz</p>

	<p>Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Attention: Vipul Mehta</p>
South Wairarapa District Council	<p>Debenture Trust Deed between South Wairarapa District Council and Trustees Executors Limited dated 10 March 2016.</p> <p>Registrar and Paying Agency Agreement between South Wairarapa District Council and Computershare Investor Services Limited dated 10 March 2016.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: South Wairarapa District Council 19 Kitchener Street Martinborough 5711</p> <p>Attention: Harry Wilson/Katrina Neems</p> <p>Email: harry.wilson@swdc.govt.nz / katrina.neems@swdc.govt.nz</p> <p>Postal Address: PO Box 6 Martinborough 5741</p>
Stratford District Council	<p>Debenture Trust Deed between Stratford District Council and Trustees Executors Limited dated 22 May 2018.</p> <p>Registrar and Paying Agency Agreement between Stratford District Council and Computershare Investor Services Limited dated 22 May 2018.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: Stratford District Council 61-63 Miranda Street Stratford 4332</p> <p>Attention: Tiffany Radich</p> <p>Email: TRadich@stratford.govt.nz</p> <p>Postal Address: PO Box 320 Stratford 4352</p>



Taranaki Regional Council	<p>Debenture Trust Deed between Taranaki Regional Council and Trustees Executors Limited dated 9 October 2019.</p> <p>Registrar and Paying Agent Services Agreement between Taranaki Regional Council and Computershare Investor Services Limited dated 9 October 2019.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: Taranaki Regional Council 47 Cloten Road Stratford 4332</p> <p>Attention: Mike Nield</p> <p>Fax: +64 6 765 5097</p> <p>Postal Address: Taranaki Regional Council Private Bag 713 Stratford 4352</p>
Tararua District Council	<p>Debenture Trust Deed between Tararua District Council and Trustees Executors Limited dated 31 May 2013.</p> <p>Registry Customer Agreement between Tararua District Council and Link Market Services Limited dated 31 May 2013.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: 26 Gordon Street Dannevirke</p> <p>Postal Address: 26 Gordon Street PO Box 115 Dannevirke 4942</p> <p>Email: cameron.mckay@tararuadc.govt.nz raj.suppiah@tararuadc.govt.nz</p> <p>Attention: Finance Manager</p>
Tasman District Council	<p>Debenture Trust Deed between Tasman District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 7 July 2010, as amended from time to time and most recently on 30 November 2011.</p>	<p>Delivery Address: 189 Queen Street, Richmond, Nelson 7050</p> <p>Postal Address Private Bag 4 Richmond, Nelson 7050</p> <p>Email: treasury@tasman.govt.nz</p>

	<p>Registry Customer Agreement between Tasman District Council and Link Market Services Limited dated 7 July 2010, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Link Market Services Limited.</p>	<p>Attention: Corporate Services Manager</p>
Taupo District Council	<p>Debenture Trust Deed between Taupo District Council and Trustees Executors Limited dated 19 October 2009, as amended from time to time and most recently on 30 November 2011.</p> <p>Registry Customer Agreement between Taupo District Council and Link Market Services Limited dated 13 July 2009, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Link Market Services Limited.</p>	<p>Delivery Address: 72 Lake Terrace Taupo 3330</p> <p>Postal Address: Private Bag 2005 Taupo 3352</p> <p>Email: <a href="mailto:nward@taupo.govt.nz">nward@taupo.govt.nz</a></p> <p>Attention: Neil Ward</p>
Tauranga City Council	<p>Debenture Trust Deed between Tauranga District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 11 August 1998, as amended from time to time and most recently on 7 September 2012.</p> <p>Registry and Payment Services Agreement between Tauranga District Council and Link Market Services Limited dated 1 April 2004, as amended from time to</p>	<p>Delivery Address: 91 Willow Street Tauranga 3143</p> <p>Postal Address: Private Bag 12022 Tauranga 3143</p> <p>Email: <a href="mailto:treasury.settlements@tauranga.govt.nz">treasury.settlements@tauranga.govt.nz</a></p> <p>Attention: Mohan De Mel</p>

	<p>time and most recently on 30 November 2011.</p> <p>Registrar: Link Market Services Limited.</p>	
Thames-Coromandel District Council	<p>Debenture Trust Deed between Thames-Coromandel District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 12 March 2007, as amended from time to time and most recently on 28 November 2012.</p> <p>Registry and Paying Agency Agreement between Thames-Coromandel District Council and Computershare Investor Services Limited dated 21 November 2006, as amended from time to time and most recently on 28 November 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: 515 Mackay Street Thames</p> <p>Postal Address: Private Bag Thames 3540</p> <p>Email: donna.holland@tcdc.govt.nz</p> <p>Attention: Donna Holland</p>
Timaru District Council	<p>Debenture Trust Deed between Timaru District council and PGG Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 15 May 1998, as amended from time to time and most recently on 14 February 2013.</p> <p>Registrar and Paying Agency Agreement between Timaru District Council and Computershare Investor Services Limited dated 10 March 2010, as amended from time</p>	<p>Delivery Address: 2 King George Place Timaru</p> <p>Postal Address: PO Box 522 Timaru 7940</p> <p>Email: enquiry@timdc.govt.nz</p> <p>Attention: Chief Financial Officer</p>

	<p>to time and most recently on 18 February 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	
Upper Hutt City Council	<p>Debenture Trust Deed between Upper Hutt City Council and Trustees Executors Limited (formerly the Trustees Executors and Agency Company of New Zealand Limited (trading as Tower Trust)) dated 28 November 2000, as amended from time to time and most recently on 17 February 2014.</p> <p>Registrar and Paying Agency Agreement between Upper Hutt City Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 18 February 2014.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>Civic Administration Building 838 - 842 Fergusson Drive Upper Hutt</p> <p>Postal Address:</p> <p>Private Bag 907 Upper Hutt 5140</p> <p>Email: Julia.Fink@uhcc.govt.nz</p> <p>Attention: Julia Fink</p>
Waikato District Council	<p>Debenture Trust Deed between Waikato District Council and Trustees Executors Limited dated 12 February 2013.</p> <p>Registrar and Paying Agency Agreement between Waikato District Council and Computershare Investor Services Limited dated 18 February 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>Head Office 15 Galileo Street Ngaruawahia</p> <p>Postal Address:</p> <p>Private Bag 544 Ngaruawahia 3742</p> <p>Email:</p> <p>tony.whittaker@waidc.govt.nz</p> <p>Attention: Tony Whittaker</p>

Waikato Regional Council	<p>Debenture Trust Deed between Waikato Regional Council and Trustees Executors Limited dated 2 July 2018.</p> <p>Registrar and Paying Agent Services Agreement between Waikato Regional Council and Computershare Investor Services Limited dated 2 July 2018.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Waikato Regional Council 401 Grey Street HAMILTON 3240</p> <p>Attention: Janine Becker</p> <p>Email: janine.becker@waikatoregion.govt.nz</p> <p>Postal Address: Private Bag 3038 Waikato Mail Centre HAMILTON 3240</p>
Waimakariri District Council	<p>Debenture Trust Deed between Waimakariri District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 23 February 2010, as amended from time to time and most recently on 8 June 2012.</p> <p>Registry and Payment Services Agreement between Waimakariri District Council and Link Market Services Limited dated 1 April 2004, as amended from time to time and most recently on 8 June 2012.</p> <p>Registrar: Link Market Services Limited</p>	<p>Delivery Address: 215 High Street Rangiora</p> <p>Postal Address: Private Bag 1005 Rangiora 7440</p> <p>Email: jeff.millward@wmk.govt.nz Attention: Jeff Millward</p>
Waipa District Council	<p>Debenture Trust Deed between Waipa District Council and Trustees Executors Limited dated 16 May 2007, as amended from time to</p>	<p>Delivery Address: 101 Bank Street Te Awamutu</p> <p>Postal Address:</p>

	<p>time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Waipa District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Private Bag 2402</p> <p>Te Awamutu 3800</p> <p>Email:</p> <p>Farrah.Templeton@waipadc.govt.nz</p> <p>Sarah.Davies@waipadc.govt.nz</p> <p>Ken.Morris@waipadc.govt.nz</p> <p>Attention: Ken Morris</p>
Wairoa District Council	<p>Debenture Trust Deed between Wairoa District Council and Trustees Executors Limited dated 10 September 2013.</p> <p>Registrar and Paying Agency Agreement between Wairoa District Council and Computershare Investor Services Limited dated 10 September 2013.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address:</p> <p>Wairoa District Council</p> <p>Coronation Square</p> <p>97 Queen Street</p> <p>Wairoa 4108</p> <p>Attention:</p> <p>Gary Borg</p> <p>Email:</p> <p>gary@wairoadc.govt.nz</p> <p>Postal Address:</p> <p>PO Box 54, Wairoa 4160</p>
Waitomo District Council	<p>Debenture Trust Deed between Waitomo District Council and Trustees Executors Limited dated 6 August 2010, as amended from time to time and most recently on 10 April 2017.</p> <p>Registry Customer Agreement between Waitomo District Council and Link Market Services Limited dated 6 August 2010, as amended from time to time and most recently on 10 April 2017.</p>	<p>Delivery Address:</p> <p>Waitomo District Council</p> <p>Queen Street</p> <p>Te Kuiti 3910</p> <p>Email:</p> <p>info@waitomo.govt.nz</p> <p>Postal Address:</p> <p>Waitomo District Council</p> <p>PO Box 404</p> <p>Te Kuiti 3941</p>

	Registrar: Link Market Services Limited	Attention: Chief Executive
Wellington City Council	<p>Debenture Trust Deed between Wellington City Council and Trustees Executors Limited dated 11 May 2005, as amended from time to time and most recently on 5 December 2011.</p> <p>Registrar and Paying Agency Agreement between Wellington City Council and Computershare Investor Services Limited dated 11 May 2005, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Wellington City Council 113 The Terrace Wellington</p> <p>Postal Address: PO Box 2199 Wellington 6140</p> <p>Email: martin.read@wcc.govt.nz</p> <p>Attention: Martin Read</p>
Wellington Regional Council	<p>Debenture Trust Deed between Wellington Regional Council and Trustees Executors Limited dated 23 November 2011.</p> <p>Registrar and Paying Agency Agreement between Wellington Regional Council and Computershare Investor Services Limited dated 7 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: Shed 39, 2 Fryatt Quay, Pipitea Wellington 6011</p> <p>Postal Address: P O Box 11646 Manners Street Wellington 6142</p> <p>Email: mike.timmer@gw.govt.nz matthias.zuschlag@gw.govt.nz</p> <p>Attention: Mike Timmer</p>
West Coast Regional Council	Debenture Trust Deed between West Coast Regional Council and Covenant Trustee Services Limited dated 26 February 2019.	<p>Delivery Address: West Coast Regional Council 388 Main South Road Paroa GREYMOUTH 7805</p>

	<p>Registrar and Paying Agent Services Agreement between West Coast Regional Council and Computershare Investor Services Limited dated 26 February 2019.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Attention: Robert Mallinson</p> <p>Email: rm@wcrcl.govt.nz</p> <p>Postal Address: West Coast Regional Council PO Box 66 GREYMOUTH 7840</p>
Western Bay Of Plenty District Council	<p>Debenture Trust Deed between Western Bay of Plenty District Council and Trustees Executors Limited dated 8 October 1999, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Western Bay of Plenty District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address: Barkes Corner Greerton Tauranga</p> <p>Postal Address: Private Bag 12803 Tauranga 3143</p> <p>Email: kumaren.perumal@westernbay.govt.nz</p> <p>Attention: Kumaren Perumal</p>
Westland District Council	<p>Debenture Trust Deed between Westland District Council and Covenant Trustee Services Limited dated 29 March 2018.</p> <p>Registry Customer Agreement between Westland District Council and Link Market Services Limited dated 29 March 2018.</p>	<p>Delivery Address: Westland District Council 36 Weld Street Hokitika 7810</p> <p>Attention: Lesley Crichton</p> <p>Email:</p>



	Registrar: Link Market Services Limited	<p>Lesley.Crichton@westlanddc.govt.nz</p> <p>Postal Address: Private Bag 704 Hokitika 7842</p>
Whakatane District Council	<p>Debenture Trust Deed between Whakatane District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 20 June 2007, as amended from time to time and most recently on 30 March 2012.</p> <p>Registrar and Paying Agency Agreement between Whakatane District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 20 January 2020.</p> <p>Registrar: Computershare Investor Services Limited</p>	<p>Delivery Address: Civic Centre Commerce Street Whakatane</p> <p>Postal Address: Private Bag 1002 Whakatane 3158</p> <p>Email: julie.caverhill@whakatane.govt.nz / Heidi.mccallum@whakatane.govt.nz</p> <p>Attention: Julie Caverhill / Heidi McCallum</p>
Whanganui District Council	<p>Debenture Trust Deed between Whanganui District Council and Perpetual Trust Limited (and now between the Council and Covenant Trustee Services Limited) dated 26 May 2000, as amended from time to time and most recently on 30 November 2012.</p> <p>Registrar and Paying Agency Agreement between Whanganui District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time</p>	<p>Delivery Address: 101 Guyton Street Whanganui</p> <p>Postal Address: PO Box 637 Whanganui 4540</p> <p>Email: mike.fermor@whanganui.govt.nz</p> <p>Attention: Mike Fermor</p>

	<p>to time and most recently on 29 November 2012.</p> <p>Registrar: Computershare Investor Services Limited</p>	
Whangarei District Council	<p>Debenture Trust Deed between Whangarei District Council and Trustees Executors Limited (formerly Tower Trust Limited) dated 10 June 2002, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar and Paying Agency Agreement between Whangarei District Council and Computershare Investor Services Limited dated 1 April 2004, as amended from time to time and most recently on 30 November 2011.</p> <p>Registrar: Computershare Investor Services Limited.</p>	<p>Delivery Address:</p> <p>Forum North Rust Avenue Whangarei</p> <p>Postal Address:</p> <p>Private Bag 9023 Whangarei 0148</p> <p>Email: alan.adcock@wdc.govt.nz</p> <p>Attention: Alan Adcock</p>

**SCHEDULE 2****Conditions Precedent**

1. A duly executed copy of each of the following documents:
  - (a) this deed;
  - (b) an amendment and restatement deed dated on or about the date of this deed in relation to a guarantee and indemnity deed dated 7 December 2011;
  - (c) an amendment and restatement deed dated on or about the date of this deed in relation to a multi-issuer deed dated 7 December 2011 (as amended and restated on 5 June 2015); and
  - (d) an amendment and restatement deed dated on or about the date of this deed in relation to a shareholders' agreement dated 7 December 2011 (as amended from time to time).
2. A certificate of compliance for the purposes of s118 of the Local Government Act 2002 (in a form acceptable to the Issuer) given by the Chief Executive of each Subscriber in relation to the entry into this deed and each other deed referred to in items 1(b) and (c) above.
3. A legal opinion from Russell McVeagh, solicitors to the Issuer, in relation to the enforceability of this deed and each other deed referred to in items 1(b) and (c) above.
4. A legal opinion from Simpson Grierson, solicitors to the Subscribers, in relation to each Subscriber's entry into this deed and each other deed referred to in items 1(b) and (c) above.

**APPENDIX****Amended and Restated Notes Subscription Agreement**

# Notes Subscription Agreement

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## **PARTIES**

New Zealand Local Government Funding Agency Limited

### **Issuer**

The Local Authorities Listed in Schedule 1

### **Principal Shareholders**

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**AGREEMENT** dated 7 December 2011 (as amended and restated by the deed to which this agreement is attached as an appendix)

## **PARTIES**

New Zealand Local Government Funding Agency Limited  
("Issuer")

The Local Authorities Listed in Schedule 1  
("Principal Shareholders")

## **INTRODUCTION**

- A. The Issuer and the Principal Shareholders wish to record the arrangements agreed between them in relation to the issue of Borrower Notes by the Issuer from time to time to the Principal Shareholders, and other Local Authorities or CCOs that may accede to this agreement, as Subscribers.
- B. This agreement records those arrangements.

## **AGREEMENT**

### **1. INTERPRETATION**

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

"**Accession Deed**" means a deed in the form, or substantially in the form, of schedule 2.

"**Amortising Security**" has the meaning given to it in the Conditions.

"**Amortised Redemption Amount**" means, in relation to an Amortising Security, as at any date, the aggregate LG Redemption Amount that the relevant Subscriber (in its capacity as issuer of that LG Security) has repaid to the Issuer in respect of that LG Security in accordance with its terms.

"**Borrowed Money Indebtedness**" means any indebtedness of the Issuer to a person (other than indebtedness owed to a Subscriber in respect of Borrower Notes) in respect of money borrowed or raised or any other financial accommodation whatsoever in the nature of, or having a similar economic effect to, borrowing or raising money, including indebtedness under or in respect of a negotiable or other financial instrument, guarantee, interest or currency exchange hedge or other arrangement of any kind (calculated on a net and marked to market basis).

"**Borrower Note**" means each note issued by the Issuer under this agreement.

"**BN Percentage**" means, in respect of a date:

- (a) from 7 December 2011 until (and excluding) the Initial BN Change Date, 1.6%; and

- (b) from (and including) the Initial BN Change Date, 2.5% or such other percentage approved by the board of the Issuer and notified (in writing) by the Issuer to all Subscribers from time to time as being applicable from (and including) the date specified in such notification.

**"BN Percentage Period"** means, in relation to a BN Percentage, the period during which that BN Percentage applies (in respect of the then current BN Percentage) or was applicable (in respect of any historic BN Percentage).

**"Business Day"** means a day (other than a Saturday, Sunday or public holiday) on which registered banks are generally open for business in Christchurch, Wellington and Auckland.

**"CCO Subscriber"** means a Subscriber that is a CCO.

**"Commercial Paper"** means in relation to a Subscriber, any securities issued by the Subscriber under the Multi-issuer Deed which have a maturity date falling no more than 364 days after the issue date of those securities.

**"Companies Act"** means the Companies Act 1993.

**"Constitution"** means the Issuer's constitution.

**"Conversion"** means the conversion of Borrower Notes into Redeemable Shares in accordance with this agreement and **"Convert"**, **"Convertible"** and **"Converted"** shall be construed accordingly.

**"Conversion Date"** means the date specified as such in a Conversion Notice, which may be a day on or following the date of the Conversion Notice.

**"Conversion Notice"** has the meaning given to it in clause 8.1.

**"Early Redemption Date"** has the meaning given to it in clause 7.1(c).

**"Extension Notice"** has the meaning given to it in clause 8.6.

**"FMC Act"** means the Financial Markets Conduct Act 2013.

**"Initial BN Change Date"** means, and includes, the date of the deed to which this agreement is attached as an appendix.

**"Issue Date"** means, in relation a Borrower Note, the date on which the Borrower Note is issued, as recorded as such in the Register. The Issue Date of a Borrower Note shall be the same as the "Issue Date" of the related LG Securities issued by the Subscriber under the Multi-issuer Deed.

**"Issue Price"** means:

- (a) in relation to Borrower Notes issued to a Subscriber on a particular date under clause 4.1, an amount equal to the aggregate Principal Amount of those Borrower Notes determined in accordance with clause 4.1(a); and
- (b) in relation to Borrower Notes issued to a Subscriber following the giving of a Top-up Notice, an amount equal to the aggregate Principal Amount of the Borrower Notes to be issued to the Subscriber as specified in the Top-up Notice.



**"Interest Rate"** means the interest rate applicable to a Borrower Note from time to time as determined by the Issuer, which interest rate shall be a percentage rate (p.a.) and shall be determined by the Issuer by reference to the applicable interest rate which is (or would be) payable by the Issuer in respect of the Borrowed Money Indebtedness it incurs to subscribe for the LG Securities to which the Borrower Note relates, and includes the Issuer's "issuance margin", being all of the Issuer's costs and expenses relating to that Borrowed Money Indebtedness (including, without limitation, dealer fees, commissions, listing fees and any Approved Issuer Levy which is or may be payable by the Issuer under the terms of that Borrowed Money Indebtedness). The interest rate determined by the Issuer must not include any additional spread to its issuance margin which it applies in determining the interest rate for the applicable LG Security.

**"LG Interest Rate"** means:

- (a) in relation to an LG Security which is a Floating Rate Security or Fixed Rate Security, the "Interest Rate" for that LG Security; and
- (b) in relation to an LG Security which is a Zero Coupon Security, the "annual yield" for the LG Security.

**"LG Issue Price"** means, in relation to a Tranche of LG Securities, the "Issue Price" as specified in the applicable Final Terms, expressed as a dollar amount.

**"LG Redemption Amount"** means, in relation to a LG Security, the "Principal Amount" as specified in the applicable Final Terms.

**"LG Securities"** means, in relation to a Subscriber, the securities issued by the Subscriber under the Multi-issuer Deed, but excluding any Commercial Paper.

**"Local Authority"** means a local authority as defined in the Local Government Act 2002.

**"Maturity Date"** means, in relation to any Borrower Notes issued to a Subscriber, the date specified as such in the Register. Subject to clause 8.6, the Maturity Date of a Borrower Note shall be the same as the "Maturity Date" of the related LG Securities issued by the Subscriber under the Multi-issuer Deed.

**"Multi-issuer Deed"** means the deed dated on or about the date of this agreement between New Zealand Local Government Funding Agency Limited and various Local Authorities entitled "Multi-issuer Deed".

**"Principal Amount"** means, for each Borrower Note, \$1.00.

**"Redeemable Share"** has the meaning given to it in the Constitution.

**"Redemption Amount"** means, in relation to a Borrower Note, an amount equal to:

- (a) the Principal Amount or, in the case of a Borrower Note that is issued in relation to a LG Security that is an Amortising Security, the amount of the Principal Amount that remains outstanding as at the Maturity Date, Early Redemption Date, Sale Redemption Date or Conversion Date (as applicable); and

- (b) the aggregate of interest accrued and unpaid on the Borrower Note from (and including) the Issue Date to (but excluding) the Maturity Date, Early Redemption Date, Sale Redemption Date or Conversion Date (as applicable).

**"Registrar"** means the Issuer or such other person appointed by the Issuer to maintain the Register on the Issuer's behalf.

**"Register"** means the register of Borrower Notes established and maintained by the Issuer in accordance with this agreement.

**"Repo Arrangement"** has the meaning given to it in clause 7.1(b).

**"RWT-Exempt Status"** has the meaning given to it in the Taxation (Annual Rates for 2017–18, Employment and Investment Income, and Remedial Matters) Act 2018.

**"Sale Redemption Date"** has the meaning given to it in clause 7.1(b).

**"Securities Act"** means the Securities Act 1978.

**"Senior Creditors"** means all creditors (present and future) of the Issuer:

- (a) whose claims are or would be admitted in the Winding-Up of the Issuer; and
- (b) who are not the holders of indebtedness, the right to payment of which by its terms is, or is expressed to be, subordinated in the event of the Winding-Up of the Issuer to the claims of all unsubordinated creditors of the Issuer.

**"Shareholders' Agreement"** has the meaning given to it in the Constitution.

**"Subscriber"** means a Local Authority set out in schedule 1 or any other Local Authority or CCO which is or becomes a Subscriber in accordance with clause 2.3 or 2A.3 (as applicable).

**"Subscription Price"** means, in relation to a Subscriber, an amount equal to the Redemption Amount of the Borrower Notes held by that Subscriber that are required to be Converted as determined under clauses 8.1 and 8.2.

**"Top-up Notice"** has the meaning given to it in clause 4.3(a).

**"Winding Up"** means any procedure, brought or instigated by any person, for the dissolution of the Issuer otherwise than for the purposes of, and followed by, an amalgamation or solvent reconstruction on terms previously approved by the Subscribers, and **"Wound Up"** shall have a corresponding meaning.

1.2 **Multi-issuer Deed:** Words and expressions defined in the Multi-issuer Deed and used in this agreement shall have the same meanings in this agreement, unless the context requires otherwise.

1.3 **References:** Except to the extent that the context otherwise requires, any reference in this agreement to:

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 such period without such intervention or action.

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

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

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.

**"indebtedness"** means 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.

#### 1.4 **Miscellaneous:**

- (a) The introduction to and headings in this agreement are inserted for convenience only and shall be ignored in construing this agreement.
- (b) Unless the context otherwise requires words denoting only the singular number shall include the plural and vice versa and words denoting any gender shall include all genders.
- (c) References to any legislation or to any provision of any legislation are deemed to be references to that legislation or provision as from time to time amended, re-enacted or substituted and, unless the context otherwise requires, shall also include any statutory instruments issued under any such legislation or provision.
- (d) References to any document (however described) shall include references to such document as modified, novated, supplemented, varied or replaced from time to time.
- (e) References to any party to this agreement or any other document shall include its successors or permitted assigns.
- (f) References to a time of day are references to New Zealand time unless otherwise stated.
- (g) Anything which may be done at any time may also be done from time to time.

## 2. **ACCESSION OF LOCAL AUTHORITY AS A SUBSCRIBER**

### 2.1 **Local Authority to sign Accession Deed:** A Local Authority may become a Subscriber under this agreement by:

- (a) completing and signing an Accession Deed and delivering it to the Issuer;

- (b) delivering to the Issuer a legal opinion from counsel acceptable to the Issuer in a form satisfactory to the Issuer;
- (c) providing the Issuer with evidence (in a form satisfactory to the Issuer) that all necessary regulatory and statutory authorisations, consents, approvals and licences in relation to its entry into this agreement and the Accession Deed have been obtained and are current and satisfactory; and
- (d) providing the Issuer with such evidence or documentation as the Issuer may require so as to be satisfied that the Subscriber is permitted to be a party to this agreement and subscribe for Borrower Notes in accordance with clause 15.4(a).

2.2 **Subscriber to countersign Accession Deed:** On receipt of the documents described in clause 2.1 in form and substance satisfactory to the Issuer, the Issuer shall:

- (a) countersign the counterpart of the Accession Deed;
- (b) enter the Accession Deed in a register kept by it (which shall be conclusive); and
- (c) retain one counterpart and deliver the other to the relevant Local Authority.

2.3 **Accession effective:** On an Accession Deed being countersigned by the Issuer in accordance with clause 2.2, the Local Authority shall be bound by this deed as if it were a party hereto and named herein as a Subscriber.

## 2A. ACCESSION OF CCO AS A SUBSCRIBER

2A.1 **CCO to sign Accession Deed:** A CCO may become a Subscriber under this agreement by:

- (a) completing and signing and procuring each LA shareholder to sign an Accession Deed and delivering it to the Issuer;
- (b) delivering to the Issuer a legal opinion from counsel acceptable to the Issuer in a form satisfactory to the Issuer;
- (c) providing the Issuer with evidence (in a form satisfactory to the Issuer) that all necessary regulatory and statutory authorisations, consents, approvals and licences in relation to its and each LA Shareholder's entry into this agreement and the Accession Deed have been obtained and are current and satisfactory; and
- (d) providing the Issuer with such evidence or documentation as the Issuer may require so as to be satisfied that the Subscriber is permitted to be a party to this agreement and subscribe for Borrower Notes in accordance with clause 15.4(a).

2A.2 **Subscriber to countersign Accession Deed:** On receipt of the documents described in clause 2A.1 in form and substance satisfactory to the Issuer, the Issuer shall:

- (a) countersign the counterpart of the Accession Deed;
- (b) enter the Accession Deed in a register kept by it (which shall be conclusive); and
- (c) retain one counterpart and deliver the other to the relevant CCO.

- 2A.3 **Accession effective:** On an Accession Deed being countersigned by the Issuer in accordance with clause 2A.2, the CCO shall be bound by this deed as if it were a party hereto and named herein as a Subscriber.

### 3. OBLIGATIONS SEVERAL

- 3.1 The obligations of each Subscriber under this agreement are several. No Subscriber shall be responsible for the obligations of any other Subscriber under this agreement. The failure of a Subscriber to perform its obligations under this agreement shall not release any other Subscriber from its obligations under this agreement.

### 4. ISSUE AND SUBSCRIPTION

- 4.1 **Issue and subscription relating to issue of LG Securities:** Subject to clause 15.4, on each date on which a Subscriber issues LG Securities to the Issuer under the Multi-issuer Deed:
- (a) the Issuer shall issue to the Subscriber Borrower Notes in an aggregate Principal Amount (rounded to the nearest dollar, with \$0.50 being rounded up) equal to the BN Percentage on that date of the LG Issue Price of the related LG Securities; and
  - (b) the Subscriber shall subscribe for those Borrower Notes and pay to the Issuer the Issue Price for those Borrower Notes.
- 4.2 **Set-off:** On each Issue Date, unless the Issuer and the relevant Subscriber agree otherwise, the Subscriber's obligation to pay the Issue Price to the Issuer automatically shall be set-off against the Issuer's obligation to pay the LG Issue Price to the Subscriber for the related Tranche of LG Securities.
- 4.3 **Issue and subscription following Conversion:**
- (a) If, following the Conversion of Borrower Notes in accordance with clause 8.1, in respect of each BN Percentage Period and a Subscriber:
    - (i) the aggregate Principal Amount of Borrower Notes (in respect of related LG Securities issued by the Subscriber during that BN Percentage Period) held by the Subscriber;

is less than:

    - (ii) the BN Percentage for that BN Percentage Period of the LG Issue Price of the related LG Securities (issued by the Subscriber during that BN Percentage Period) and then held by the Issuer (less, where the related LG Securities are Amortising Securities, the aggregate Amortised Redemption Amount of such Amortising Securities on the date of the Top-up Notice),

(such a BN Percentage Period a "**Relevant BN Percentage Period**") the Issuer may, by giving written notice to the Subscriber ("**Top-up Notice**") require the Subscriber on the date specified in the Top-up Notice (which must be a date not less than 3 months after the date of the Top-up Notice) to subscribe for such

number of additional Borrower Notes as are required to be issued to the Subscriber so that:

- (iii) the aggregate Principal Amount of Borrower Notes (in respect of related LG Securities issued by the Subscriber during that BN Percentage Period) held by the Subscriber;

will be equal to:

- (iv) the BN Percentage for that BN Percentage Period of the LG Issue Price of those related LG Securities (issued by the Subscriber during that BN Percentage Period) and then held by the Issuer (less, where the related LG Securities are Amortising Securities, the aggregate Amortised Redemption Amount of such Amortising Securities on the date of the Top-up Notice).

- (b) If a Subscriber receives a Top-up Notice in accordance with clause 4.3(a), on the date specified in the Top-up Notice as the date on which the additional Borrower Notes are to be issued:
  - (i) the Issuer shall, subject to the board of directors of the Issuer complying with section 49 of the Companies Act, issue to the Subscriber the amount of Borrower Notes as is specified in the Top-up Notice; and
  - (ii) the Subscriber shall subscribe for those Borrower Notes and pay to the Issuer the Issue Price for those Borrower Notes.
- (c) The Issuer shall not give a Top-up Notice to a Subscriber in accordance with clause 4.3(a) unless it gives a Top-up Notice in respect of all Relevant BN Percentage Periods of that Subscriber and at the same time to all other Subscribers who meet the criteria set out in clause (a) in respect of all Relevant BN Percentage Periods of those other Subscribers, with the intent that the requirement to subscribe for additional Borrower Notes is made to all applicable Subscribers, provided that the Issuer is not obliged to deliver a Top-up Notice to a Subscriber that does not meet the criteria set out in clause 15.4(a) as at the date of the Top-Up Notice.
- (d) For the purposes of this clause 4.3, LG Securities which have been sold by the Issuer pursuant to a Repo Arrangement shall be treated as being held by the Issuer.
- (e) Where the Issuer proposes to give Top-up Notice(s) under clause (a) it may require a Subscriber to provide evidence or documentation in accordance with clause 15.4(b).

**4.4 Creation and issue:** Borrower Notes are issued and created by the Registrar entering into the Register the particulars of the Borrower Notes.

**4.5 Warranty:** Each Subscriber warrants:

- (a) as at the date it becomes a Subscriber, that it is permitted to be a party to this agreement in accordance with clause 15.4(a); and

- (b) as at the date it subscribes for any Borrower Notes, it met the criteria set out in clause 15.4(a) as at the date the offer of the Borrower Notes was made to it by the Issuer and continues to meet the criteria as at the date it subscribes for the Borrower Notes.

## 5. LIMITED RIGHTS FOR SUBSCRIBERS

- 5.1 **No voting rights:** The Borrower Notes do not confer on a Subscriber any right to attend and/or vote at any meeting of the Issuer.
- 5.2 **Corporate events:** The Borrower Notes do not confer on any Subscriber the right to participate in any rights issue or bonus issues of the Issuer.
- 5.3 **Transfer:** The Borrower Notes are not transferrable by a Subscriber, except with the prior written approval of the Issuer or in accordance with clause 8.5(ia).

## 6. INTEREST

- 6.1 Interest shall accrue on the Principal Amount of each Borrower Note at the applicable Interest Rate. Interest shall accrue daily, shall not compound and, subject to clause 8.3, shall be paid to the relevant Subscriber on the Maturity Date.

## 7. REDEMPTION

- 7.1 **Redemption:** The Issuer shall redeem each Borrower Note (in full) on the earliest of:

- (a) its Maturity Date;
- (b) the date the Issuer ceases to be the holder of the related LG Security (other than pursuant to a repurchase arrangement with the Reserve Bank of New Zealand ("**Repo Arrangement**") ("**Sale Redemption Date**"); and
- (c) the date the Subscriber redeems the related LG Security (in full), other than on the "Maturity Date" of that LG Security, in accordance with the terms and conditions applicable to that LG Security ("**Early Redemption Date**").

Such redemption is to be made in accordance with this clause 7, provided however that, clause 7.1(c) shall not apply to any Borrower Note to which clause 8.6 applies.

- 7.2 **Redemption by set-off:** Where a Borrower Note is being redeemed on its Maturity Date or Early Redemption Date, unless:

- (a) the Issuer and the relevant Subscriber agree otherwise; or
- (b) clause 8.6 applies to the Borrower Note,

(in which case clause 7.4 shall apply), and subject to clause 12.1, the Issuer's obligation to pay the Redemption Amount to the Subscriber automatically shall be set-off against the Subscriber's obligation to pay the LG Redemption Amount (or portion thereof) for the related LG Securities and accrued and unpaid interest thereon (if any).

7.3 **Payment in instalments:** If a Borrower Note is issued in relation to a LG Security that is an Amortising Security:

- (a) the Principal Amount of the Borrower Note shall be repayable in instalments on each of the same dates (each an "**instalment date**") that a portion of the LG Redemption Amount of the related LG Security is repayable;
- (b) the amount of the Principal Amount of the Borrower Note that is repayable on each instalment date shall be an amount that bears the same proportion to the Principal Amount as the amount of the LG Redemption Amount repayable on the instalment date bears to the LG Redemption Amount of the related LG Security; and
- (c) unless the Issuer and the relevant Subscriber agree otherwise or the Issuer has ceased to be the holder of the corresponding LG Security and subject to clause 12.1, the Issuer's obligation to repay a portion of the Principal Amount of the Borrower Note on an instalment date automatically shall be set-off against the Subscriber's obligation to repay the portion of the LG Redemption Amount of the related LG Security on the instalment date.

7.4 **Redemption other than by set-off:** Where a Borrower Note is being redeemed on its Sale Redemption Date or, if in accordance with clause 7.2, this clause 7.4 applies to the redemption of a Borrower Note, on the applicable redemption date the Issuer shall, subject to clause 12.1, redeem the Borrower Note by paying the Redemption Amount to the Subscriber.

## 8. CONVERSION

8.1 **Right to Convert:** If, following the Issuer having made calls for all unpaid capital of the Issuer to be paid in full, the board of directors of the Issuer has determined that there is a risk of imminent default by the Issuer under the terms of any of its Borrowed Money Indebtedness the Issuer may, by giving written notice to each Subscriber ("**Conversion Notice**") elect to Convert such number of the Borrower Notes as the Issuer determines.

8.2 **Pro rata Conversion:** If a Conversion Notice is given in accordance with clause 8.1, the Conversion shall be made proportionally across all Borrower Notes so that the proportionate holdings of Borrower Notes by each Subscriber remains unchanged (subject, in the case of a CCO Subscriber, to the transfers of Borrower Notes required to its LA Shareholders under clause 8.5) following the Conversion (unless all Borrower Notes are Converted).

8.3 **Conversion:** If a Conversion Notice is given in accordance with clause 8.1, on the Conversion Date, the number of Redeemable Shares to be issued to each Subscriber that is a Local Authority (including, in respect of a CCO Subscriber, each LA Shareholder, as contemplated by clause 8.5(ia)) on Conversion of the relevant Borrower Notes shall be determined by the Issuer in accordance with the following formula:

$$N = RA \div IP$$

Where:

N = the number of Redeemable Shares to be issued to the Subscriber (rounded to the nearest whole unit, with 0.5 being rounded up);



RA = the aggregate Redemption Amount of the Borrower Notes held by the Subscriber that are to be Converted on the Conversion Date; and

IP = \$1.00, being the issue price per Redeemable Share.

8.4 **Selection by Issuer:** The Issuer shall select the Borrower Notes held by each Subscriber that are to be Converted on a Conversion Date in accordance with clause 8.2 and, if it is not also the Registrar, shall notify the Registrar of the selection.

8.5 **Settlement:** On the relevant Conversion Date without the need for any further act or step by the Issuer, any Subscriber or any other person:

(ia) first, each Borrower Note held by a CCO Subscriber (that is to be Converted on the Conversion Date) shall be automatically and immediately transferred to each LA Shareholder in the number determined by the following formula:

$$N = \text{TBN} \times (\text{SH} / \text{TSH})$$

Where:

N = the number of Borrower Notes to be transferred to the LA Shareholder (rounded up or down to the nearest whole unit at the Issuer's discretion);

TBN = the total number of Borrower Notes held by the CCO Subscriber that are to be Converted on the Conversion Date;

SH = the number of equity securities in the CCO Subscriber held by the LA Shareholder; and

TSH = the aggregate number of equity securities in the CCO Subscriber held by the LA Shareholders.

The consideration for such transfer shall be as agreed between the CCO Subscriber and relevant LA Shareholder;

(a) second:

(i) each Borrower Note to be Converted will immediately be required to be redeemed for its Redemption Amount;

(ii) each Subscriber holding such Borrower Note that is to be Converted agrees to subscribe for the number of Redeemable Shares to be issued to it (calculated in accordance with clause 8.3);

(iii) each Subscriber agrees to pay the Subscription Price to the Issuer on the Conversion Date in consideration for the Issuer issuing Redeemable Shares to it on the Conversion Date;

(iv) the Issuer will immediately and irrevocably apply, on the Subscriber's behalf, the Redemption Amount of the Borrower Notes required to be Converted in satisfaction of the Subscription Price for the Redeemable Shares to be issued to that Subscriber (calculated in accordance with clause 8.3); and

- (v) the Issuer shall (in respect of each Subscriber) issue to that Subscriber the number of Redeemable Shares to be issued to it (calculated in accordance with clause 8.3), enter the name of that Subscriber in the share register of the Issuer as the holder of such Redeemable Shares, and issue to that Subscriber a share certificate for such Redeemable Shares; and
- (b) if requested by the Issuer, each Subscriber shall (if that Subscriber is not an existing shareholder of the Issuer) deliver a signed deed of accession to the Shareholders' Agreement. The Subscriber shall (upon entry of its name in the share register in accordance with clause (a)) be deemed to have agreed to be bound by the terms of the Shareholders' Agreement in the event it does not sign such a deed of accession.

8.6 **Exception:** If the board of directors of the Issuer determines:

- (a) having taken legal advice, that the Issuer cannot, with sufficient certainty, determine that it is able to (in compliance with all laws) Convert Borrower Notes; or
- (b) that the Issuer cannot, with sufficient certainty, determine that it is able to (in compliance with all laws) Convert Borrower Notes on or before a date it considers appropriate having regard to the risk of default referred to in clause 8.1,

then the Issuer may, in lieu of Converting Borrower Notes under clause 8.1, by giving written notice to each Subscriber ("**Extension Notice**"), elect to extend the Maturity Date (for such period as the Issuer determines) of such number of Borrower Notes as the Issuer determines. If an Extension Notice is given under this clause 8.6, the extension shall be made in respect of the Borrower Notes that would otherwise have been Converted in accordance with clause 8.2.

8.7 **Effect of Conversion:** Notwithstanding anything to the contrary in any Transaction Document:

- (a) if a Borrower Note is transferred to a LA Shareholder in accordance with clause 8.5(ia), then with effect from the Conversion Date:
  - (i) the LA Shareholder will be the holder of the Borrower Note; and
  - (ii) the Borrower Note will immediately be required to be Converted in accordance with clause 8.5(a); and
- (b) if a Borrower Note is required to be Converted in accordance with clause 8.5(a):
  - (i) all of the Issuer's obligations to pay, and the relevant Subscriber's rights to receive, interest on the Borrower Note (including any accrued but unpaid interest) are immediately and irrevocably terminated, and interest will cease to accrue on the Borrower Note; and
  - (ii) clause 7 will cease to apply to the Borrower Note.

## 9. PAYMENTS

- 9.1 **Payments:** Unless otherwise agreed in writing between the parties and subject to clauses 4.2, 7.2, 7.3(c), 8.5(a) and 9.4, all amounts payable under this agreement shall be paid in dollars in immediately available funds to the respective bank account each party may nominate from time to time.
- 9.2 **Payments to be free and clear:** All amounts payable under this agreement shall be paid:
- (a) on an irrevocable basis free and clear of any restriction or condition;
  - (b) free and clear of and (except to the extent required by law) without any deduction or withholding on account of any tax. If any such deduction or withholding is required, the Issuer shall not be required to pay any additional amounts in respect of the amounts deducted or withheld; and
  - (c) unless otherwise agreed in writing and subject to clauses 4.2, 7.2, 7.3(c), 8.5(a) and 9.4, without any deduction or withholding on account of any other amount, whether by way of set-off, counterclaim or otherwise.
- 9.3 **Resident Withholding Tax:** New Zealand resident withholding tax will be deducted from payments of interest (or payments deemed by law to be interest) to Subscribers who are tax resident unless an appropriate exemption certificate is produced to the Issuer (or, on or after 1 April 2020, the Issuer is satisfied that the relevant Subscriber has RWT-Exempt Status) on or before the date 10 days before the date of the relevant payment.
- 9.4 **No gross-up:** The Issuer 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 Borrower Notes under clause 9.3. If, in respect of any Borrower Note, the Issuer becomes liable to make any payment of, or on account of, tax payable by any Subscriber, then the Issuer shall be indemnified by the relevant Subscriber in respect of such liability. Any moneys paid by the Issuer in respect of such liability may be recovered from the Subscriber as a debt due to the Issuer and may be withheld from any further payments to that Subscriber. Nothing in this clause will prejudice or affect any other right or remedy of the Issuer.
- 9.5 **Maximum rate:** Deductions of resident withholding tax will be made at the maximum rates from time to time applicable unless a Subscriber provides evidence to the Issuer (acceptable to it) that a lesser rate is applicable.
- 9.6 **Tax status:** The Issuer shall be entitled for the purposes of this clause 9 to rely, without further enquiry, upon any statement made by or on behalf of a Subscriber in relation to that Subscriber's tax status or tax residency.
- 9.7 **Refund of payments:** If any payment received or recovered by a Subscriber or any other person on behalf of the Subscriber is or may be avoided, whether by law or otherwise, then:
- (a) such payment shall be deemed not to have affected or discharged the liability of the Issuer under this agreement and the Subscriber shall, to the maximum extent permitted by law, be restored to the position in which it would have been if such payment had not been received or recovered; and

- (b) the Subscriber shall be entitled to exercise all rights which the Subscriber would have been entitled to exercise if such payment had not been received or recovered.

9.8 **Business Days:** Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

## 10. REGISTER

10.1 **Register:** The Issuer agrees to establish and maintain the Register in which the Issuer will record such details as it considers fit, including:

- (a) the name and address of each Subscriber;
- (b) the Issue Date and Maturity Date (and any extension made under clause 8.6) of the Borrower Notes;
- (c) the related LG Securities; and
- (d) each redemption or Conversion of the Borrower Notes.

10.2 **Register conclusive:** Each Subscriber and the Issuer is:

- (a) entitled to rely upon the entries in the Register as constituting the sole and conclusive record of each Borrower Note and as to the person entitled to the Borrower Notes; and
- (b) to have the power, in its absolute discretion, to correct (or, in the case of the Subscriber and in respect of its Borrower Notes only, require correction of) the Register if the Register is incorrect.

10.3 **Inspection:** The Issuer shall make that part of the Register that relates to a Subscriber available for inspection by a Subscriber at the Issuer's principal place of business during normal office hours upon receiving reasonable notice from the Subscriber.

10.4 **Appointment of Registrar:** The Issuer shall be entitled to appoint an appropriately qualified person to maintain the Register in accordance with clause 10.1 on its behalf.

## 11. RANKING OF NOTES

11.1 The Borrower Notes are unsecured debt securities issued by the Issuer, subordinated in accordance with clause 12, and an unsecured liability of the Issuer. The Borrower Notes rank pari passu without any preference among themselves. The Issuer may issue securities ranking equally with or in priority to the Borrower Notes.

## 12. SUBORDINATION

12.1 **Subordination:** The rights and claims of Subscribers are, in a Winding Up of the Issuer, subordinated to the claims of the Senior Creditors (with the intent that all claims of Senior

Creditors shall be paid in full before any claims of the Subscribers are paid), and prior to the commencement of a Winding Up of the Issuer:

- (a) the obligation of the Issuer to make any payment in respect of the Borrower Notes is conditional upon the Issuer being solvent at the time the relevant payment falls due; and
- (b) no payment shall be made in respect of the Borrower Notes except to the extent that the Issuer may make such payment and still be solvent immediately thereafter.

## 12.2 **Solvency:**

- (a) For the purposes of clause 12.1, the Issuer shall be considered to be solvent at any time if at that time it is able to meet the solvency test in section 4 of the Companies Act.
- (b) A certificate as to whether the Issuer is solvent signed by two authorised signatories of the Issuer shall be prima facie evidence of the information contained therein.

## 12.3 **Contingent debt:** On a Winding Up of the Issuer, the Subscribers shall only be entitled to prove for any sum payable in respect of the Borrower Notes as a debt which is subject to and contingent upon prior payment in full of the Senior Creditors. Each Subscriber agrees, and by subscribing for a Borrower Note each Subscriber of the Borrower Note will be deemed to agree, that:

- (a) in accordance with section 313(3) of the Companies Act, it is accepting a lower priority in respect of the debt represented by the Borrower Note than that which it would otherwise have under section 313; and
- (b) nothing in section 313 will prevent this agreement from having effect in accordance with its terms.

## 12.4 **No set-off:** No Subscriber shall be entitled to set-off against any amounts due in respect of the Borrower Notes held by that Subscriber any amount held by the Subscriber to the credit of the Issuer or otherwise to reduce the amount due to such Subscriber in respect of a Borrower Note by merger of accounts or lien or the exercise of any other rights of like effect, except to the extent permitted by clause 7.2 or 7.3(c). To the extent any set-off (other than a set-off permitted by clause 7.2 or 7.3(c)), merger, lien or other right is required by law to be exercised that exercise shall be subject to clause 12.5.

## 12.5 **Trust:** Any payment, whether voluntarily or in any other circumstances, received by a Subscriber from or on account of the Issuer (including by way of credit, set-off or otherwise) or from any liquidator, receiver, manager or statutory manager of the Issuer in breach of this clause 12 will be held by the relevant Subscriber in trust for and to the order of the Senior Creditors. The trust hereby created shall be for a term expiring on the earlier of the date on which all Senior Creditors have been paid in full or eighty years (or such longer period as permitted by law) from the date of this agreement. No Subscriber shall have any obligation under this clause 12 in respect of any payment received by anyone other than itself.

## 12.6 **Contract and Commercial Law Act:** For the purposes of the Contract and Commercial Law Act 2017 the provisions of this clause 12 are intended to confer a benefit upon the Senior Creditors and to be enforceable by the Senior Creditors directly, but no consent of the

Senior Creditors shall be required to any modification or amendment to this clause 12 in accordance with clause 14.

### 13. NOTICES

13.1 **Writing:** Each notice or other communication to be given or made under this agreement to any person must:

- (a) **Writing:** be given or made in writing by email or letter and be signed by the sender or an authorised officer of the sender;
- (b) **Address:** be given or made to the recipient at the address or email address, and marked for the attention of the person (if any), from time to time designated by the recipient to the other for the purposes of this agreement;
- (c) **Deemed delivery:** not be effective until received by the recipient, and any such notice or communication shall be deemed to be received:
  - (i) (if given or made by letter) when left at the address of the recipient or 5 Business Days after being put in the post, postage prepaid, and addressed to the recipient at that address; or
  - (ii) (if given or made by email) when dispatched in tangible, readable form by the sender to the email address advised by the recipient from time to time,

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

13.2 **Initial address and numbers:** The initial address, email address and person (if any) designated for the purposes of this agreement, are set out below:

- (a) **The Subscribers:** those details set out under the heading "Details for notices" for the relevant Subscriber in schedule 1 or otherwise provided in the relevant Accession Deed.

- (b) **The Issuer:**

City Chambers  
Level 8, 142 Featherston Street  
PO Box 5704, Wellington, 6145

Email: lgfa@lgfa.co.nz  
Attention: Chief Executive

### 14. AMENDMENTS

14.1 This agreement shall not be amended except with the written agreement of the Issuer and all of the Subscribers, provided that the Issuer may, by notice to all parties to this

agreement, vary clause 15.4 to permit persons to become parties to this agreement and Subscribers to subscribe for Borrower Notes (as applicable) if they satisfy the terms of any exemption obtained by the Issuer from the requirements of the FMC Act with respect to this agreement, but any such variation shall not affect the status of any existing Subscriber as a Subscriber under this agreement.

## 15. MISCELLANEOUS

- 15.1 **Waivers and remedies:** Time shall be of the essence of this agreement but no delay in acting, or failure to act, by the Issuer is a waiver of any of the Issuer's rights. The rights provided in this agreement do not exclude any rights provided by law.
- 15.2 **Partial invalidity:** An invalid provision in this agreement shall not affect the enforceability of the remaining provisions of this agreement.
- 15.3 **Sections 40 and 49 of the Companies Act:** This agreement is subject to the board of directors of the Issuer complying with section 49 of Companies Act.
- 15.4 **Securities Act and FMC Act:**
- (a) The only persons which are permitted to become parties to this agreement and/or subscribe for Borrower Notes are:
    - (i) prior to 1 June 2015:
      - (aa) "eligible persons" for the purposes of sections 5(2CB) and 5(2CBA) of the Securities Act, as defined in section 5(2CC) of the Securities Act; and
      - (bb) persons who fall within 1 or more of the categories set out in subparagraphs (i) to (iii) of section 3(2)(a) of the Securities Act, and
    - (ii) on and from 1 June 2015, "wholesale investors" as that term is defined in clauses 3(2)(a), (c) and (d) and (in the case of a CCO Subscriber only) clause 3(3)(a) of Schedule 1 to the FMC Act, being a person who is:
      - (aa) an "investment business";
      - (bb) "large";
      - (cc) a "government agency"; or
      - (dd) an "eligible investor" (in the case of a CCO Subscriber only),
 in each case as defined in Schedule 1 to the FMC Act (each a **"wholesale investor"**), or an entity controlled by a wholesale investor where "control" has the meaning given in clause 48 of Schedule 1.
  - (b) Prior to the Issuer offering to issue Borrower Notes to a Subscriber and/or a Subscriber subscribing for any Borrower Notes in each case in accordance with clauses 4.1 or 4.3, the Subscriber must promptly (if requested by the Issuer) provide the Issuer with evidence or documentation (in a form satisfactory to the

Issuer) which satisfies the Issuer that the Subscriber meets the criteria set out in sub-clauses (a)(i) or (a)(ii) as at the date of the offer by the Issuer and subscription by the Subscriber.

- 15.5 **Counterparts:** This agreement may be signed in any number of counterparts, all of which together constitute one and the same instrument, and any of the parties may execute this agreement by signing any such counterpart.

**16. GOVERNING LAW**

- 16.1 This agreement shall be governed by New Zealand law.

**17. NO CROWN GUARANTEE**

- 17.1 The parties acknowledge that the obligations and liabilities of the Issuer under this agreement are not guaranteed by the Crown.



**SIGNATURES****[ORIGINAL EXECUTION BLOCKS INTENTIONALLY DELETED]**

**SCHEDULE 1 - PRINCIPAL SHAREHOLDERS****Local Authority name:****Details for notices:**

Auckland Council	<p>Delivery Address: 135 Albert Street Auckland 1010</p> <p>Postal Address: Private Bag 92300 Victoria Street West Auckland 1142</p> <p>Email: john.bishop@aucklandcouncil.govt.nz</p> <p>Attention: John Bishop, Group Treasurer</p>
Bay Of Plenty Regional Council	<p>Delivery Address: 5 Quay Street Whakatāne</p> <p>Postal Address: P O Box 364 Whakatāne 3158</p> <p>Email: mat.taylor@boprc.govt.nz</p> <p>Attention: Mat Taylor</p>
Christchurch City Council	<p>Delivery Address: Civic Offices 53 Hereford Street Christchurch</p> <p>Postal Address: P O Box 73016 Christchurch 8154</p> <p>Email: Treasury@ccc.govt.nz</p> <p>Attention: Andrew Jefferies</p>
Hamilton City Council	<p>Delivery Address: 260 Anglesea Street Council Building Garden Place Hamilton 3240</p> <p>Postal Address: Private Bag 3010 Hamilton 3240</p> <p>Email: david.bryant@hcc.govt.nz</p>

	Attention: David Bryant
Hastings District Council	<p>Delivery Address: 207 Lyndon Road East Hastings 4122</p> <p>Postal Address: Private Bag 9002 Hastings 4156</p> <p>Email: brucea@hdc.govt.nz</p> <p>Attention: Bruce Allan</p>
Masterton District Council	<p>Delivery Address: 27 Lincoln Road Masterton 5810</p> <p>Postal Address: PO Box 444 Masterton 5840</p> <p>Email: davidp@mstn.govt.nz</p> <p>Attention: Manager Finance</p>
New Plymouth District Council	<p>Delivery Address: Liardet St New Plymouth</p> <p>Postal Address: Private Bag 2025 New Plymouth 4342</p> <p>Email: alison.trustrumrainey@npdc.govt.nz / carla.freeman@npdc.govt.nz</p> <p>Attention: Alison TrustrumRainey / Carla Freeman</p>
Ōtorohanga District Council	<p>Delivery Address: 17 Maniapoto Street Ōtorohanga 3940</p> <p>Postal Address PO Box 11 Ōtorohanga 3940</p> <p>Email: grahamb@otodc.govt.nz</p> <p>Attention: Graham Bunn</p>
Selwyn District Council	<p>Delivery Address: 2 Norman Kirk Drive Rolleston</p> <p>Postal Address: P O Box 90 Rolleston 7643</p>

	<p>Email: Treasury.management@selwyn.govt.nz</p> <p>Attention: Greg Bell</p>
South Taranaki District Council	<p>Delivery Address: 105-111 Albion Street Hawera 4610</p> <p>Postal Address: Private Bag 902 Hawera 4640</p> <p>Email: Vipul.mehta@stdc.govt.nz</p> <p>Attention: Vipul Mehta</p>
Tasman District Council	<p>Delivery Address: 189 Queen Street, Richmond, Nelson 7050</p> <p>Postal Address Private Bag 4 Richmond, Nelson 7050</p> <p>Email: treasury@tasman.govt.nz</p> <p>Attention: Corporate Services Manager</p>
Taupo District Council	<p>Delivery Address: 72 Lake Terrace Taupo 3330</p> <p>Postal Address: Private Bag 2005 Taupo 3352</p> <p>Email: nward@taupo.govt.nz</p> <p>Attention: Neil Ward</p>
Tauranga City Council	<p>Delivery Address: 91 Willow Street Tauranga 3143</p> <p>Postal Address: Private Bag 12022 Tauranga 3143</p> <p>Email: treasury.settlements@tauranga.govt.nz</p> <p>Attention: Mohan De Mel</p>
Waipa District Council	<p>Delivery Address: 101 Bank Street Te Awamutu</p> <p>Postal Address:</p>

	<p>Private Bag 2402 Te Awamutu 3800</p> <p>Email: Farrah.Templeton@waipadc.govt.nz Sarah.Davies@waipadc.govt.nz Ken.Morris@waipadc.govt.nz</p> <p>Attention: Ken Morris</p>
Wellington City Council	<p>Delivery Address: Wellington City Council 113 The Terrace Wellington</p> <p>Postal Address: PO Box 2199 Wellington 6140</p> <p>Email: martin.read@wcc.govt.nz</p> <p>Attention: Martin Read</p>
Wellington Regional Council	<p>Delivery Address: Shed 39, 2 Fryatt Quay, Pipitea Wellington 6011</p> <p>Postal Address: P O Box 11646 Manners Street Wellington 6142</p> <p>Email: mike.timmer@gw.govt.nz matthias.zuschlag@gw.govt.nz</p> <p>Attention: Mike Timmer</p>
Western Bay Of Plenty District Council	<p>Delivery Address: Barkes Corner Greerton Tauranga</p> <p>Postal Address: Private Bag 12803 Tauranga 3143</p> <p>Email: kumaren.perumal@westernbay.govt.nz</p> <p>Attention: Kumaren Perumal</p>
Whangarei District Council	<p>Delivery Address: Forum North Rust Avenue Whangarei</p> <p>Postal Address: Private Bag 9023</p>

	Whangarei 0148 Email: alan.adcock@wdc.govt.nz Attention: Alan Adcock
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**SCHEDULE 2 - FORM OF ACCESSION DEED****DEED** dated [•].**PARTIES**

[•]

("Acceding Party")

New Zealand Local Government Funding Agency Limited

("Issuer")

pursuant to the Notes Subscription Agreement defined below.

**INTRODUCTION**

- A. The Issuer has agreed that the Acceding Party may accede to the Notes Subscription Agreement as a "Subscriber".
- B. This deed records the accession.

**AGREEMENT:****1. INTERPRETATION**

- 1.1 **Interpretation:** In this deed:

"**Local Authority**" means has the meaning given to it in the Local Government Act 2002.

"**Notes Subscription Agreement**" means the notes subscription agreement dated 7 December 2011 (as amended from time to time) between the Issuer and various Local Authorities.

- 1.2 **Notes Subscription Agreement:** Terms defined in the Notes Subscription Agreement have the same meaning in this deed unless the context requires otherwise.

**2. ACCESSION**

- 2.1 **Accession:** The Acceding Party hereby agrees with the Issuer that with effect on and from the date this deed is counter-signed by the Issuer, it will be bound by the Notes Subscription Agreement as a Subscriber as if it had been an original party thereto and named therein as a Subscriber, and agrees to be bound by the terms of, and perform its obligations under, the Notes Subscription Agreement.
- 2.2 **Acknowledgement:** The Issuer acknowledges and agrees to the accession made under this deed.
- 2.3 **Implied provisions:** For the purposes of section 14 of the Property Law Act 2007, the Acceding Party acknowledges that this deed is, and for all purposes and at all times shall be construed as being, supplemental to the Notes Subscription Agreement.

**3. NOTICE**

The details for notices for the Acceding Party for the purposes of the Notes Subscription Agreement are: *[specify]*

**4. GOVERNING LAW**

This deed shall be governed by the laws of New Zealand.

**5. NO CROWN GUARANTEE**

The obligations and liabilities of the *[Acceding Party and]* Issuer under this deed and the Notes Subscription Agreement are not guaranteed by the Crown. *[Note: Delete reference to Acceding Party if CCO is acceding as no equivalent to section 122 of the Act for CCO.]*

**6. COUNTERPARTS**

This deed may be signed in any number of counterparts, all of which together constitute one and the same instrument, and any of the parties may execute this deed by signing any such counterpart.



**EXECUTED AS A DEED****Acceding Party****[Local Authority/CCO] by:**\_\_\_\_\_  
Signature of [Elected Member/Director]\_\_\_\_\_  
Signature of [Elected Member/Director]\_\_\_\_\_  
Name of [Elected Member/Director]\_\_\_\_\_  
Name of [Elected Member/Director]**Issuer****NEW ZEALAND Local Government Funding****AGENCY LIMITED by:**\_\_\_\_\_  
Signature of Director\_\_\_\_\_  
Signature of Director\_\_\_\_\_  
Name of Director\_\_\_\_\_  
Name of Director

By signing the acknowledgement below, each entity identified in the annexure to this deed as a "LA Shareholder":

- (a) acknowledges the terms of this deed and the Notes Subscription Agreement; and
- (b) agrees to the automatic and immediate transfer to it of any Borrower Notes held by the Acceding Party in the manner contemplated by clause 8 of the Notes Subscription Agreement.

**ACKNOWLEDGED BY:****[LA SHAREHOLDER] by:**\_\_\_\_\_  
Signature of Elected Member\_\_\_\_\_  
Signature of Elected Member\_\_\_\_\_  
Name of Elected Member\_\_\_\_\_  
Name of Elected Member

**ANNEX TO THE ACCESSION DEED**

1. **LA Shareholder:** As at the date of this deed, for the purposes of the Notes Subscription Agreement, the LA Shareholder[s] in respect of the Acceding Party is: *[specify]*.

# Amendment and Restatement Deed (Guarantee and Indemnity)

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## PARTIES

The Local Authorities listed in Schedule 1

Guarantors

TEL Security Trustee (LGFA) Limited

Security Trustee

DEED dated

2020

## PARTIES

The Local Authorities Listed in Schedule 1  
("Guarantors")

TEL Security Trustee (LGFA) Limited  
("Security Trustee")

## INTRODUCTION

The parties wish to amend and restate the Guarantee and Indemnity as set out in this deed.

## COVENANTS

### 1. INTERPRETATION

#### 1.1 Definitions: In this deed:

"**Effective Date**" means the date notified by the Security Trustee as the Effective Date in accordance with clause 2.1.

"**Guarantee and Indemnity**" means the guarantee and indemnity dated 7 December 2011 between the Guarantors and the Security Trustee.

#### 1.2 **Guarantee and Indemnity definitions:** Words and expressions defined in the Guarantee and Indemnity (as amended by this deed) have, except to the extent the context requires otherwise, the same meaning in this deed.

#### 1.3 **Miscellaneous:**

- (a) Headings are inserted for convenience only and do not affect interpretation of this deed.
- (b) References to a person include that person's successors, permitted assigns, executors and administrators (as applicable).
- (c) Unless the context otherwise requires, the singular includes the plural and vice versa and words denoting individuals include other persons and vice versa.
- (d) A reference to any legislation includes any statutory regulations, rules, orders or instruments made or issued pursuant to that legislation and any amendment to, re-enactment of, or replacement of, that legislation.
- (e) A reference to any document includes reference to that document as amended, modified, novated, supplemented, varied or replaced from time to time.

- (f) Unless otherwise stated, reference to a clause or schedule is a reference to a clause of or schedule to this deed.
- (g) A reference to "including", "for example" or "such as", when introducing an example, does not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

## 2. CONDITIONS PRECEDENT

- 2.1 **Effective Date:** The Effective Date shall be the date the Security Trustee confirms to the Guarantors and the Principal Debtor that it has received, and found satisfactory to it in form and substance, the documents and evidence specified in schedule 2.

## 3. AMENDMENT AND RESTATEMENT

- 3.1 **Amendment and restatement:** With effect on and from the Effective Date, the Guarantee and Indemnity shall be amended and restated in the form set out in the appendix to this deed.
- 3.2 **Full force and effect:** Except to the extent amended by this deed, the Guarantee and Indemnity remains in full force and effect.

## 4. ISSUER ACKNOWLEDGEMENTS AND CONFIRMATIONS

- 4.1 **Debenture Trust Deed:** Each Guarantor acknowledges and agrees that nothing in this deed shall prejudice the rights of the Security Trustee under the Debenture Trust Deed and confirms and agrees that its liabilities and obligations under the Debenture Trust Deed, all Security Stock issued, and all Security Stock Certificates delivered, to the Security Trustee continue in full force and effect.
- 4.2 **Notice details:** Each Guarantor confirms that its current notice details for the purposes of clause 13 of the Guarantee and Indemnity are as set out in schedule 1.

## 5. GENERAL

- 5.1 **Counterparts:** This deed may be executed in any number of counterparts, and this shall have the same effect as if the signatures on the counterparts were on a single copy of this deed.
- 5.2 **Governing law:** This deed is governed by, and construed in accordance with, New Zealand law. The parties submit to the non-exclusive jurisdiction of the courts of New Zealand.

**EXECUTED AS A DEED****The Guarantors****ASHBURTON DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member**AUCKLAND COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member**BAY OF PLENTY REGIONAL COUNCIL**

by:

\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member**CANTERBURY REGIONAL COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member**CHRISTCHURCH CITY COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member

**FAR NORTH DISTRICT COUNCIL** by:

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 Signature of elected member

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 Name of elected member

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 Signature of elected member

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 Name of elected member
**GISBORNE DISTRICT COUNCIL** by:

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 Signature of elected member

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 Name of elected member

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 Signature of elected member

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 Name of elected member
**GORE DISTRICT COUNCIL** by:

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 Signature of elected member

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 Name of elected member

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 Signature of elected member

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 Name of elected member
**HAMILTON CITY COUNCIL** by:

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 Signature of elected member

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 Name of elected member

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 Signature of elected member

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 Name of elected member
**HASTINGS DISTRICT COUNCIL** by:

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 Signature of elected member

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 Name of elected member

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 Signature of elected member

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 Name of elected member

**HAURAKI DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member**HAWKE'S BAY REGIONAL COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member**HOROWHENUA DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member**HURUNUI DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member**HUTT CITY COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member



**INVERCARGILL CITY COUNCIL** by:

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 Signature of elected member

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 Name of elected member

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 Signature of elected member

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 Name of elected member
**KAIPARA DISTRICT COUNCIL** by:

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 Signature of elected member

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 Name of elected member

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 Signature of elected member

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 Name of elected member
**KAPITI COAST DISTRICT COUNCIL** by:

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 Signature of elected member

---

 Name of elected member

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 Signature of elected member

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 Name of elected member
**MANAWATU DISTRICT COUNCIL** by:

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 Signature of elected member

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 Name of elected member

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 Signature of elected member

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 Name of elected member
**MANAWATŪ-WHANGANUI REGIONAL COUNCIL** by:

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 Signature of elected member

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 Name of elected member

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 Signature of elected member

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 Name of elected member

**MARLBOROUGH DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**MASTERTON DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**MATAMATA-PIAKO DISTRICT COUNCIL**

by:

\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**NELSON CITY COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**NEW PLYMOUTH DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member

**ŌTOROHANGA DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**PALMERSTON NORTH CITY COUNCIL**  
by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**PORIRUA CITY COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**QUEENSTOWN-LAKES DISTRICT  
COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**ROTORUA DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member

**RUAPEHU DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**SELWYN DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**SOUTH TARANAKI DISTRICT COUNCIL**

by:

\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**SOUTH WAIRARAPA DISTRICT COUNCIL**

by:

\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**STRATFORD DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member

**TARANAKI REGIONAL COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**TARARUA DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**TASMAN DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**TAUPO DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**TAURANGA CITY COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member

**THAMES-COROMANDEL DISTRICT  
COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member**TIMARU DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member**UPPER HUTT CITY COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member**WAIKATO DISTRICT COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member**WAIKATO REGIONAL COUNCIL** by:

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Signature of elected member

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Signature of elected member

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Name of elected member

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Name of elected member

**WAIMAKARIRI DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**WAIPA DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**WAITOMO DISTRICT COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**WELLINGTON CITY COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member**WELLINGTON REGIONAL COUNCIL** by:\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Signature of elected member\_\_\_\_\_  
Name of elected member\_\_\_\_\_  
Name of elected member

**WESTERN BAY OF PLENTY DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**WHAKATANE DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**WHANGANUI DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member

**WHANGAREI DISTRICT COUNCIL** by:

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Signature of elected member

\_\_\_\_\_  
Name of elected member

\_\_\_\_\_  
Name of elected member



Security Trustee

**SIGNED FOR AND ON BEHALF OF TEL  
SECURITY TRUSTEE (LGFA) LIMITED** by:

\_\_\_\_\_  
Signature of Authorised Signatory

\_\_\_\_\_  
Signature of Authorised Signatory

\_\_\_\_\_  
Name of Authorised Signatory

\_\_\_\_\_  
Name of Authorised Signatory

\_\_\_\_\_  
Name of witness

\_\_\_\_\_  
Occupation

\_\_\_\_\_  
City/town of residence

**SCHEDULE 1****Guarantors**

<b>GUARANTORS</b>	<b>ADDRESS FOR NOTICES</b>
Ashburton District Council	<p>Delivery Address: 5 Baring Square West Ashburton</p> <p>Postal Address: P O Box 94 Ashburton 7740</p> <p>Attention: Finance Manager</p>
Auckland Council	<p>Delivery Address: 135 Albert Street Auckland 1010</p> <p>Postal Address: Private Bag 92300 Victoria Street West Auckland 1142</p> <p>Attention: John Bishop, Group Treasurer</p>
Bay Of Plenty Regional Council	<p>Delivery Address: 5 Quay Street Whakatāne</p> <p>Postal Address: P O Box 364 Whakatāne 3158</p> <p>Attention: Mat Taylor</p>
Canterbury Regional Council	<p>Delivery Address: 200 Tuam Street Christchurch 8140</p> <p>Postal Address: P O Box 345 Christchurch 8140</p> <p>Attention: Chief Financial Officer</p>
Christchurch City Council	<p>Delivery Address: Civic Offices 53 Hereford Street Christchurch</p>

Postal Address:  
P O Box 73016  
Christchurch 8154

Attention: Andrew Jefferies

Far North District Council

Delivery Address:  
Memorial Avenue, Kaikohe

Postal Address:  
Private Bag 752  
Kaikohe 0440  
Janice.smith@fndc.govt.nz

Attention: General Manager, Corporate Services

Gisborne District Council

Delivery Address:  
15 Fitzherbert Street  
Gisborne

Postal Address:  
PO Box 747  
Gisborne 4010

Email: treasury@gdc.govt.nz

Attention: Pauline Foreman

Gore District Council

Delivery Address:  
Gore District Council  
29 Bowler Avenue  
Gore 9740  
Attention:  
Chief Financial Officer

Facsimile:  
(03) 209 0330

Email:  
info@goredc.govt.nz

Postal Address:  
PO Box 8  
Gore 9740

## Hamilton City Council

Delivery Address:  
260 Anglesea Street  
Council Building  
Garden Place  
Hamilton  
3240

Postal Address:  
Private Bag 3010  
Hamilton 3240

Email: david.bryant@hcc.govt.nz

Attention: David Bryant

## Hastings District Council

Delivery Address:  
207 Lyndon Road East  
Hastings 4122

Postal Address:  
Private Bag 9002  
Hastings 4156

Email: brucea@hdc.govt.nz

Attention: Bruce Allan

## Hauraki District Council

Delivery Address:  
William Street  
Paeroa 3600

Postal Address:  
PO Box 17  
Paeroa 3640

Email: info@hauraki-dc.govt.nz

Attention: Corporate Services Group Manager

## Hawke's Bay Regional Council

Delivery Address:  
Hawke's Bay Regional Council  
159 Dalton Street  
Napier 4110

Attention: Bronda Smith

Email: bronda.smith@hbrc.govt.nz

Postal Address:  
Hawke's Bay Regional Council  
Private Bag 6006  
Napier 4142

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**Horowhenua District Council**

Delivery Address:  
126 - 148 Oxford Street  
Levin 5510

Postal Address:  
Private Bag 4002  
Levin 5540

Email: [dougl@horowhenua.govt.nz](mailto:dougl@horowhenua.govt.nz)

Attention: Doug Law

**Hurunui District Council**

Delivery Address:  
66 Carters Road (SH1)  
Amberley 7410

Postal Address:  
PO Box 13  
Amberley 7441  
North Canterbury

Email: [jason.beck@hurunui.govt.nz](mailto:jason.beck@hurunui.govt.nz)

Attention: Jason Beck

**Hutt City Council**

Delivery Address:  
30 Laings Road  
Lower Hutt

Postal Address:  
Private bag 31912  
Lower Hutt 5040

Email: [glenn.phillips@huttcity.govt.nz](mailto:glenn.phillips@huttcity.govt.nz)

Attention: Glenn Usoali'i-Phillips

**Invercargill City Council**

Delivery Address:  
Invercargill City Council

Attention: Dave Foster

Email: [dave.foster@icc.govt.nz](mailto:dave.foster@icc.govt.nz)

Postal Address:  
Invercargill City Council  
Private Bag 90104

## Invercargill 9840

## Kaipara District Council

Delivery Address:  
42 Hokianga Road  
Dargaville

Attention:  
General Manager Sustainable Growth and Investment

Email:  
sdavidson@kaipara.govt.nz

Postal Address:  
Private Bag 1001  
Dargaville 0340

## Kapiti Coast District Council

Delivery Address:  
Council Offices  
175 Rimu Road  
Paraparaumu 5032

Postal Address:  
Private Bag 60-601  
Paraparaumu 5254

Email: wayne.maxwell@kapiticoast.govt.nz  
Attention: Wayne Maxwell

Email: mark.dehaast@kapiticoast.govt.nz  
Attention: Mark de Haast

Email: david.wilson@kapiticoast.govt.nz  
Attention: David Wilson

## Manawatu District Council

Delivery Address:  
135 Manchester Street  
Fielding

Postal Address:  
Private Bag 10001  
Fielding 4743

Email: amanda.calman@mdc.govt.nz

Attention: Amanda Calman

Manawatū-Whanganui  
Regional Council

Delivery Address:  
11-15 Victoria Avenue  
Palmerston North

Postal Address:  
Private Bag 11025  
Manawatu Mail Centre  
Palmerston North

Email: [treasury@horizons.govt.nz](mailto:treasury@horizons.govt.nz)

Attention: Adrian Smith

Marlborough District Council

Delivery Address:  
15 Seymour Street  
Seymour Square  
Blenheim 7201

Postal Address:  
PO Box 443  
Blenheim 7240

Email: [Martin.Fletcher@marlborough.govt.nz](mailto:Martin.Fletcher@marlborough.govt.nz) /  
[Borrowings@marlborough.govt.nz](mailto:Borrowings@marlborough.govt.nz)

Attention: Martin Fletcher/Adrian Ferris

Masterton District Council

Delivery Address:  
27 Lincoln Road  
Masterton 5810

Postal Address:  
PO Box 444  
Masterton 5840

Email: [davidp@mstn.govt.nz](mailto:davidp@mstn.govt.nz)

Attention: David Paris

Matamata-Piako District  
Council

Delivery Address:  
35 Kenrick Street  
Te Aroha

Postal Address:  
PO Box 266  
Te Aroha

Email: [danglesey@mpdc.govt.nz](mailto:danglesey@mpdc.govt.nz) /  
[Irushbrooke@mpdc.govt.nz](mailto:Irushbrooke@mpdc.govt.nz)

Attention: Finance and Business Service Manager /  
Deputy Finance Manager

## Nelson City Council

Delivery Address:  
Civic House  
110 Trafalgar Street  
Nelson 7010

Postal Address:  
PO Box 645  
Nelson 7040

Email: [Nikki.harrison@ncc.govt.nz](mailto:Nikki.harrison@ncc.govt.nz)

Attention: Group Manager Corporate Services

## New Plymouth District Council

Delivery Address:  
Liardet St  
New Plymouth

Postal Address:  
Private Bag 2025  
New Plymouth 4342

Email: [trusttrumraine@npdc.govt.nz](mailto:trusttrumraine@npdc.govt.nz) /  
[carla.freeman@npdc.govt.nz](mailto:carla.freeman@npdc.govt.nz)

Attention: Alison TrusttrumRaine / Carla Freeman

## Ōtorohanga District Council

Delivery Address:  
17 Maniapoto Street  
Ōtorohanga 3940

Postal Address  
PO Box 11  
Ōtorohanga 3940

Email: [grahamb@otodc.govt.nz](mailto:grahamb@otodc.govt.nz)

Attention: Graham Bunn

## Palmerston North City Council

Delivery Address:  
32 The Square  
Palmerston North 4410

Postal Address:  
Private Bag 11034  
Palmerston North

Email: [steve.paterson@pncc.govt.nz](mailto:steve.paterson@pncc.govt.nz)

Attention: Strategy Manager Finance

## Porirua City Council

Delivery Address:  
16 Cobham Court



	<p>Porirua 5022</p> <p>Postal Address: PO Box 50218 Porirua 5240</p> <p>Email: <a href="mailto:stephen.woolley@porirua.govt.nz">stephen.woolley@porirua.govt.nz</a></p> <p>Attention: Stephen Woolley</p>
Queenstown-Lakes District Council	<p>Delivery Address: 10 Gorge Road Queenstown 9300</p> <p>Postal Address: Private Bag 50072 Queenstown 9348</p> <p>Email: <a href="mailto:services@qldc.govt.nz">services@qldc.govt.nz</a></p> <p>Attention: Chief Financial Officer</p>
Rotorua District Council	<p>Delivery Address: Civic Centre 1061 Haupapa Street Rotorua</p> <p>Postal Address: Private Bag 3029 Rotorua Mail Centre Rotorua</p> <p>Email: <a href="mailto:Thomas.colle@rdc.govt.nz">Thomas.colle@rdc.govt.nz</a></p> <p>Attention: Thomas Colle</p>
Ruapehu District Council	<p>Delivery Address: Ruapehu District Council 59 - 63 Huia Street Taumarunui 3920</p> <p>Attention: Alan Young</p> <p>Email: <a href="mailto:Alan.young@ruapehudc.govt.nz">Alan.young@ruapehudc.govt.nz</a></p> <p>Postal Address: Private Bag 1001 Taumarunui 3946</p>
Selwyn District Council	<p>Delivery Address:</p>

2 Norman Kirk Drive  
Rolleston

Postal Address:  
P O Box 90  
Rolleston 7643

Email: [treasury.management@selwyn.govt.nz](mailto:treasury.management@selwyn.govt.nz)

Attention: Greg Bell

South Taranaki District Council

Delivery Address:  
105-111 Albion Street  
Hawera 4610

Postal Address:  
Private Bag 902  
Hawera 4640

Email: [Vipul.mehta@stdc.govt.nz](mailto:Vipul.mehta@stdc.govt.nz)

Attention: Vipul Mehta

South Wairarapa District  
Council

Delivery Address:  
South Wairarapa District Council  
19 Kitchener Street  
Martinborough 5711

Attention:  
Harry Wilson / Katrina Neems

Email:  
[harry.wilson@swdc.govt.nz](mailto:harry.wilson@swdc.govt.nz) / [katrina.neems@swdc.govt.nz](mailto:katrina.neems@swdc.govt.nz)

Postal Address:  
PO Box 6  
Martinborough 5741

Stratford District Council

Delivery Address:  
Stratford District Council  
61-63 Miranda Street  
Stratford 4332

Attention: Tiffany Radich

Email: [TRadich@stratford.govt.nz](mailto:TRadich@stratford.govt.nz)

Postal Address:  
PO Box 320  
Stratford 4352

## Taranaki Regional Council

## Delivery Address:

Taranaki Regional Council  
47 Cloten Road  
Stratford 4332

Attention: Mike Nield

Fax: +64 6 765 5097

## Postal Address:

Taranaki Regional Council  
Private Bag 713  
Stratford 4352

## Taranaki District Council

## Delivery Address:

26 Gordon Street  
Dannevirke

## Postal Address:

26 Gordon Street  
PO Box 115  
Dannevirke 4942

Email: [cameron.mckay@tararua.govt.nz](mailto:cameron.mckay@tararua.govt.nz)  
[raj.supiah@tararua.govt.nz](mailto:raj.supiah@tararua.govt.nz)

Attention: Finance Manager

## Tasman District Council

## Delivery Address:

189 Queen Street,  
Richmond, Nelson 7050

## Postal Address

Private Bag 4  
Richmond, Nelson 7050

Email: [treasury@tasman.govt.nz](mailto:treasury@tasman.govt.nz)

Attention: Corporate Services Manager

## Taupo District Council

## Delivery Address:

72 Lake Terrace  
Taupo 3330

## Postal Address:

Private Bag 2005  
Taupo 3352

Email: [nward@taupo.govt.nz](mailto:nward@taupo.govt.nz)

Attention: Neil Ward

#### Tauranga City Council

Delivery Address:  
91 Willow Street  
Tauranga 3143

Postal Address:  
Private Bag 12022  
Tauranga 3143

Email: [treasury.settlements@tauranga.govt.nz](mailto:treasury.settlements@tauranga.govt.nz)

Attention: Mohan De Mel

#### Thames-Coromandel District Council

Delivery Address:  
515 Mackay Street  
Thames

Postal Address:  
Private Bag  
Thames 3540

Email: [donna.holland@tcdc.govt.nz](mailto:donna.holland@tcdc.govt.nz)

Attention: Donna Holland

#### Timaru District Council

Delivery Address:  
2 King George Place  
Timaru

Postal Address:  
PO Box 522  
Timaru 7940

Email: [enquiry@timdc.govt.nz](mailto:enquiry@timdc.govt.nz)

Attention: Chief Financial Officer

#### Upper Hutt City Council

Delivery Address:  
Civic Administration Building  
838 - 842 Fergusson Drive  
Upper Hutt

Postal Address:  
Private Bag 907  
Upper Hutt  
5140

Email: [Julia.Fink@uhcc.govt.nz](mailto:Julia.Fink@uhcc.govt.nz)

Attention: Julia Fink

Waikato District Council

Delivery Address:  
Head Office  
15 Galileo Street  
Ngaruawahia

Postal Address:  
Private Bag 544  
Ngaruawahia 3742

Email: [tony.whittaker@waidc.govt.nz](mailto:tony.whittaker@waidc.govt.nz)

Attention: Tony Whittaker

Waikato Regional Council

Delivery Address:  
Waikato Regional Council  
401 Grey Street  
HAMILTON 3240

Attention:  
Janine Becker

Email:  
[janine.becker@waikatoregion.govt.nz](mailto:janine.becker@waikatoregion.govt.nz)

Postal Address:  
Private Bag 3038  
Waikato Mail Centre  
HAMILTON 3240

Waimakariri District Council

Delivery Address:  
215 High Street  
Rangiora

Postal Address:  
Private Bag 1005  
Rangiora 7440

Email: [jeff.millward@wmk.govt.nz](mailto:jeff.millward@wmk.govt.nz)

Attention: Jeff Millward

Waipa District Council

Delivery Address:  
101 Bank Street  
Te Awamutu

Postal Address:  
Private Bag 2402  
Te Awamutu 3800

Email: Farrah.Templeton@waipadc.govt.nz /  
Sarah.Davies@waipadc.govt.nz / Ken.Morris@waipadc.govt.nz

Attention: Ken Morris

#### Waitomo District Council

Delivery Address:  
Waitomo District Council  
Queen Street  
Te Kuiti 3910

Email:  
info@waitomo.govt.nz

Postal Address:  
Waitomo District Council  
PO Box 404  
Te Kuiti 3941

Attention:  
Chief Executive

#### Wellington City Council

Delivery Address:  
Wellington City Council  
113 The Terrace  
Wellington

Postal Address:  
PO Box 2199  
Wellington 6140

Email: martin.read@wcc.govt.nz

Attention: Martin Read

#### Wellington Regional Council

Delivery Address:  
Shed 39, 2 Fryatt Quay, Pipitea  
Wellington 6011

Postal Address:  
P O Box 11646  
Manners Street  
Wellington 6142

Email: mike.timmer@gw.govt.nz /  
Matthias.zuschlag@gw.govt.nz

Attention: Mike Timmer

---

**Western Bay Of Plenty District Council**

Delivery Address:  
Barkes Corner  
Greerton  
Tauranga

Postal Address:  
Private Bag 12803  
Tauranga 3143

Email: [kumaren.perumal@westernbay.govt.nz](mailto:kumaren.perumal@westernbay.govt.nz)

Attention: Kumaren Perumal

**Whakatane District Council**

Delivery Address:  
Civic Centre  
Commerce Street  
Whakatane

Postal Address:  
Private Bag 1002  
Whakatane 3158

Email: [julie.caverhill@whakatane.govt.nz](mailto:julie.caverhill@whakatane.govt.nz) /  
[Heidi.mccallum@whakatane.govt.nz](mailto:Heidi.mccallum@whakatane.govt.nz)

Attention: Julie Caverhill / Heidi McCallum

**Whanganui District Council**

Delivery Address:  
101 Guyton Street  
Whanganui

Postal Address: PO Box 637  
Whanganui 4540

Email: [mike.fermor@whanganui.govt.nz](mailto:mike.fermor@whanganui.govt.nz)

Attention: Mike Fermor

**Whangarei District Council**

Delivery Address:  
Forum North  
Rust Avenue  
Whangarei

Postal Address:  
Private Bag 9023  
Whangarei 0148

Email: [alan.adcock@wdc.govt.nz](mailto:alan.adcock@wdc.govt.nz)

Attention: Alan Adcock

**SCHEDULE 2****Conditions Precedent**

1. A duly executed copy of each of the following documents:
  - (a) this deed;
  - (b) an amendment and restatement deed dated on or about the date of this deed in relation to an multi-issuer deed dated 7 December 2011 (as amended and restated on 5 June 2015);
  - (c) an amendment and restatement deed dated on or about the date of this deed in relation to a notes subscription agreement dated 7 December 2011 (as amended and restated on 5 June 2015); and
  - (d) an amendment and restatement deed dated on or about the date of this deed in relation to a shareholders' agreement dated 7 December 2011 (as amended from time to time).
2. A certificate of compliance for the purposes of s118 of the Local Government Act 2002 (in a form acceptable to the Principal Debtor) given by the Chief Executive of each Issuer in relation to the entry into this deed and each other deed referred to in items 1(b) and (c) above.
3. A legal opinion from Russell McVeagh, solicitors to the Principal Debtor, in relation to the enforceability of this deed and each other deed referred to in items 1(b) and (c) above.
4. A legal opinion from Simpson Grierson, solicitors to the Guarantors, in relation to each Guarantor's entry into this deed and each other deed referred to in items 1(b) and (c).



**APPENDIX****Amended and Restated Guarantee and Indemnity**

# Guarantee and Indemnity

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## **PARTIES**

The Local Authorities Listed in Schedule 1

### **Initial Guarantors**

TEL Security Trustee (LGFA) Limited

### **Security Trustee**

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**DEED** dated 7 December 2011 (as amended and restated by the deed to which this deed is attached as an appendix)

## **PARTIES**

The Local Authorities Listed in Schedule 1  
("Initial Guarantors")

TEL Security Trustee (LGFA) Limited  
("Security Trustee")

## **INTRODUCTION**

- A. In consideration for the Guaranteed Creditors agreeing to make financial accommodation and/or other services available to the Principal Debtor from time to time at the request of each Initial Guarantor (as evidenced by an Initial Guarantor's entry into this deed), the Initial Guarantors have agreed to enter into this deed at the request of the Principal Debtor.
- B. The Security Trustee has agreed to enter into this deed as security trustee for the Guaranteed Creditors. The Security Trustee holds the benefit of this deed on trust for the Guaranteed Creditors under the terms of the Security Trust Deed.

## **COVENANTS**

### **1. INTERPRETATION**

- 1.1 **Definitions in the Multi-issuer Deed:** Words and expressions defined in the Multi-issuer Deed (including in the Conditions to the Multi-issuer Deed) and used in this deed shall, unless the context otherwise requires, have the meanings given to them in the Multi-issuer Deed.

- 1.2 **Definitions:** In addition, in this deed, unless the context otherwise requires:

"**Additional Guarantor**" means a person which has become an Additional Guarantor in accordance with clause 12.4.

"**Additional Relevant Proportion**" has the meaning given to it in clause 3.4(c).

"**Annual Rates Income**" has the meaning given in the Multi-issuer Deed, as if references therein to "Issuer" were to "Guarantor".

"**Beneficiary**" has the meaning given to it in the Security Trust Deed.

"**Defaulting Guarantor**" has the meaning given to it in clause 3.4(c).

"**Demand**" means a demand for payment on a Guarantor in the relevant form, or substantially in the relevant form, set out in schedule 3, signed by on or behalf of the Security Trustee.

**"Demand Confirmation"** has the meaning given to it in clause 3.5(e).

**"Disclosure Information"** has the meaning given to it in clause 16.12(a)(i).

**"Full Release"** means a letter from the Security Trustee to a Guarantor in the form, or substantially in the form, of part 2 of schedule 6.

**"Full Release Request"** means a letter from a Guarantor to the Security Trustee in the form, or substantially in the form, of part 1 of schedule 6.

**"Further Principal Debt Release"** means a letter from the Security Trustee to a Guarantor in the form, or substantially in the form, of part 2 of schedule 5.

**"Further Principal Debt Release Date"** has the meaning given to it in clause 15.1(g).

**"Further Principal Debt Release Request"** means a letter from a Guarantor to the Security Trustee in the form, or substantially in the form, of part 1 of schedule 5.

**"Further Relevant Amount"** has the meaning given to it in clause 3.4(e).

**"Guarantor Accession Deed"** means a deed in the form, or substantially in the form, of schedule 4.

**"Guaranteed Creditor"** means each creditor of the Principal Debtor that is a Beneficiary under or pursuant to the terms of the Security Trust Deed.

**"Guaranteed Money"** means, subject to clauses 15.1(f) and 15.1(g), when used with reference to a Guarantor, all amounts which that Guarantor (whether alone, or jointly, or jointly and severally with any other person) is, or may at any time become, liable (whether actually or contingently) to pay to the Security Trustee under this deed (for the benefit of any Guaranteed Creditor) and, when used without reference to a particular Guarantor, means the Guaranteed Money of the Guarantors collectively, and a reference to Guaranteed Money includes any part of it.

**"Guarantor"** means an Initial Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor pursuant to clause 15.2 or clause 15.3.

**"Indemnified Guarantor"** has the meaning given to it in clause 3.5(b).

**"LGFA Finance Document"** has the meaning given to it in the Security Trust Deed.

**"Local Authority"** means a Local Authority as defined in the Act.

**"Multi-issuer Deed"** means the deed dated 7 December 2011 between the Principal Debtor and various Local Authorities entitled "Multi-issuer Deed".

**"Non-Defaulting Guarantor"** has the meaning given to it in clause 3.4(c).

**"Partially Released Guarantor"** has the meaning given to it in clause 3.4(e).

**"Principal Debt"** means all amounts of any nature which the Principal Debtor (whether alone, or jointly, or jointly and severally with any other person) is, or may at any time become, liable (whether actually or contingently) to pay or deliver to one or more Guaranteed Creditors (whether alone, or jointly, or jointly and severally with any other person) under, pursuant to,

or arising out of a LGFA Finance Document, and a reference to Principal Debt includes any part of it.

**"Principal Debtor"** means New Zealand Local Government Funding Agency Limited, a company incorporated in New Zealand.

**"Relevant Amount"** has the meaning given to it in clause 3.4(b).

**"Relevant Financial Year"** has the meaning given to it in clause 3.4(b).

**"Relevant Proportion"** has the meaning given to it in clause 3.4(b).

**"Sale Notice"** has the meaning given in the Shareholders' Agreement.

**"Security Trust Deed"** means the deed dated 7 December 2011 between the Security Trustee and the Principal Debtor entitled "Security Trust Deed".

**"Shortfall Amount"** has the meaning given to it in clause 3.4(c).

**"Transaction Documents"** means:

- (a) the "Transaction Documents" as defined in the Multi-issuer Deed; and
- (b) the LGFA Finance Documents,

and any document or agreement entered into by the Principal Debtor or any Guarantor (amongst others) for the purpose of amending, supplementing or novating any of the above.

**"Verified Statements"** has the meaning given to it in clause 16.12(a)(ii).

### 1.3 **References:** Except to the extent that the context otherwise requires, any reference in this deed to:

the **"dissolution"** of a person includes the bankruptcy of that person or, where that person is a company, its liquidation, administration, deed of company arrangement, creditors' compromise, scheme of arrangement or removal from the register, and also includes any equivalent or analogous procedure under the law of any relevant jurisdiction.

**"government"** includes central or local government, and **"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. It also includes any self-regulatory organisation established under statute or any stock exchange.

**"law"** includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute or other legislative measure, in each case of any jurisdiction whatever and **"lawful"** shall be construed accordingly.

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

**"security"** includes a guarantee or indemnity, a security interest (as construed and defined in the Personal Property Securities Act 1999), mortgage, lien, pledge, any interest in land of a security nature, any other security arrangement creating in effect security for the payment of a

monetary obligation or the observance of any other obligation, and any other arrangement having like economic effect over any property, assets or revenues.

"**tax**" includes any present or future tax, levy, impost, duty, rate, charge, fee, deduction or withholding of any nature and whatever called, imposed or levied by any government, governmental agency or authority, together with any interest, penalty, charge, fee or other amount imposed or made on, or in relation to, any of the foregoing.

**1.4 Miscellaneous:** Unless the context otherwise requires:

- (a) Headings are inserted for convenience only and do not affect interpretation of this deed.
- (b) References to a person include that person's successors, permitted assigns, executors and administrators (as applicable).
- (c) Unless the context otherwise requires the singular includes the plural and vice versa and words denoting individuals include other persons and vice versa.
- (d) References to any legislation or to any provision of any legislation are deemed to be references to that legislation or provision as from time to time amended, re-enacted or substituted and, unless the context 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) Except where inconsistent with the context, the expression "**at any time**" also means from time to time.
- (g) A reference to "**including**", "**for example**" or "**such as**", when introducing an example, does not limit the meaning of the words to which the example relates to that example or examples of a similar kind.
- (h) Unless otherwise stated, reference to a clause, schedule or part of a schedule is a reference to a clause of, or schedule to, or part of a schedule to, this deed.

**1.5 Capacity of the Security Trustee:**

- (a) The parties acknowledge that the Security Trustee holds the benefit of this deed on trust for the Guaranteed Creditors. Notwithstanding any other provision of any LGFA Finance Document, any liability incurred by the Security Trustee pursuant to this deed can be enforced against the Security Trustee only to the extent to which it can be satisfied out of the assets subject to the Security Trust Deed. This limitation of the Security Trustee's liability applies notwithstanding any other provision of this deed (other than paragraph (c)) and extends to:
  - (i) all liabilities and obligations of the Security Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction relating to any LGFA Finance Document; and

- (ii) every delegate, attorney, agent or other similar person appointed by the Security Trustee.
- (b) Subject to paragraph (a), the Beneficiaries may not sue the Security Trustee personally or seek the appointment of a liquidator, administrator, receiver or similar person to the Security Trustee or prove in any liquidation, administration or arrangement of or affecting the Security Trustee.
- (c) Paragraphs (a) and (b) will not apply to any liability of the Security Trustee arising out of the fraud, gross negligence, wilful default or wilful breach of trust of or by the Security Trustee.
- (d) In addition to the rights and trusts conferred on the Security Trustee by any LGFA Finance Document, the Security Trustee shall have all the rights, privileges and immunities which gratuitous trustees have or may have in New Zealand, even though it is entitled to remuneration.

## 2. GUARANTEE AND INDEMNITY

- 2.1 **Guarantee:** Each Guarantor guarantees to the Security Trustee, for the benefit of the Guaranteed Creditors, the due payment or delivery by the Principal Debtor of the Principal Debt.
- 2.2 **Continuing guarantee:** In relation to each Guarantor the guarantee in this deed is a continuing guarantee and shall operate irrespective of any intervening payment, settlement of account or other matter or thing whatever, until the relevant Guarantor has received a Full Release from the Security Trustee pursuant to clause 15.2 or a written release from the Security Trustee pursuant to clause 15.3.
- 2.3 **Indemnity:** Each Guarantor indemnifies the Security Trustee, for the benefit of the Guaranteed Creditors, against:
  - (a) all claims, liabilities, damages, losses and payments; and
  - (b) all costs, charges and expenses (including legal expenses on a full indemnity basis and goods and services and similar taxes thereon),

suffered, incurred or sustained by any of the Guaranteed Creditors at any time as a direct or indirect consequence of any Principal Debt not being recoverable from a Guarantor under the guarantee given in clause 2.1, including as a result of the obligation to pay the Principal Debt becoming void, voidable or unenforceable.

## 3. OBLIGATIONS OF THE GUARANTORS

- 3.1 **Payment:** If the Principal Debtor does not pay any Principal Debt to any Guaranteed Creditor on its due date, each Guarantor shall upon demand being made in accordance with clause 3.4 pay to the Security Trustee (for the benefit of the Guaranteed Creditors) that Principal Debt in accordance with clause 3.4 (whether or not demand for payment has been made on the Principal Debtor or any other person).
- 3.2 **Payments to be free and clear:** The Guaranteed Money shall be paid:



- (a) free and clear of any restriction or condition;
- (b) free and clear of and (except to the extent required by law) without any deduction or withholding on account of any tax; and
- (c) without any deduction or withholding on account of any other amount, whether by way of set-off, counterclaim or otherwise.

3.3 **Cleared funds:** Any Guaranteed Money received by the Security Trustee shall not satisfy a Guarantor's obligation to pay such amount until it is cleared and immediately available to the Security Trustee.

3.4 **Demands:**

- (a) The Security Trustee shall not make any demand for payment on a Guarantor under this deed except in accordance with this clause 3.4.
- (b) Subject to paragraph (e), if the Security Trustee wishes to make demand for payment of an amount (a "**Relevant Amount**") under this deed, it shall deliver a Demand to each Guarantor requiring the Guarantor to pay the proportion of the Relevant Amount (or, if sub-paragraph (e)(ii) applies, the proportion of that part of the Relevant Amount that is not a Further Relevant Amount) that the Guarantor's Annual Rates Income for the most recent financial year in respect of which all Guarantors have completed and adopted annual reports in accordance with sections 98 and 99 of the Act before the date of the Demand (the "**Relevant Financial Year**") bears to the aggregate Annual Rates Income of all Guarantors for the Relevant Financial Year (for each Guarantor, its "**Relevant Proportion**").
- (c) Subject to paragraph (e), if one or more Guarantors (each a "**Defaulting Guarantor**") fails to pay in full its Relevant Proportion of a Relevant Amount within two Business Days after receipt of a Demand under paragraph (b) (the aggregate of all amounts unpaid by the Defaulting Guarantors by the end of that period being the "**Shortfall Amount**"), the Security Trustee may deliver a further Demand to each Guarantor other than the Defaulting Guarantors (each a "**Non-Defaulting Guarantor**") requiring that Non-Defaulting Guarantor to pay the proportion of the Shortfall Amount that its Annual Rates Income for the Relevant Financial Year bears to the aggregate Annual Rates Income of all Non-Defaulting Guarantors for the Relevant Financial Year (for each Non-Defaulting Guarantor, its "**Additional Relevant Proportion**").
- (d) Subject to paragraph (e), if one or more Non-Defaulting Guarantors fails to pay in full its Additional Relevant Proportion of a Shortfall Amount within two Business Days after receipt of a Demand under paragraph (c) (including pursuant to the operation of this paragraph (d)), the Security Trustee may deliver a further Demand to each other Non-Defaulting Guarantor, and the provisions of paragraph (c) (and, in the event of a further subsequent default, this paragraph (d)) shall apply to the relevant shortfall amount (as if it were a "Shortfall Amount") and such other Non-Defaulting Guarantors (such that the "Additional Relevant Proportion" is determined having regard only to the Annual Rates Income of such Non-Defaulting Guarantors, and no other Guarantors). For the avoidance of doubt, the parties agree that paragraph (c) and this paragraph (d) shall, in respect of each Relevant Amount, continue to apply until the Relevant Amount has been paid in full to the Security Trustee.

- (e) If, by reason of having received a Further Principal Debt Release, one or more Guarantors (each a "**Partially Released Guarantor**") is not liable under this deed (by reason of the operation of clause 15.1(f) or 15.1(g)) in respect of:
- (i) all of a Relevant Amount, paragraphs (b), (c) and (d) shall apply in relation to that Relevant Amount only in respect of the Guarantors other than the Partially Released Guarantors;
  - (ii) part of a Relevant Amount (a "**Further Relevant Amount**"), the Security Trustee must deliver a separate Demand in respect of the Further Relevant Amount to each of the Guarantors other than the Partially Released Guarantors, and the provisions of paragraphs (b), (c) and (d) shall apply in relation to the Further Relevant Amount (as if it were a "Relevant Amount") only in respect of those Guarantors.

### 3.5 Proportionate sharing of liabilities:

- (a) It is the intention of the Guarantors that each Relevant Amount, and each Further Relevant Amount, shall be borne by the Guarantors, or the relevant Guarantors, as applicable, in accordance with their respective Relevant Proportions.
- (b) If one or more Guarantors or relevant Guarantors contributes more in payment of a Relevant Amount or a Further Relevant Amount, as applicable, pursuant to the operation of clause 3.4 than its Relevant Proportion of that Relevant Amount or Further Relevant Amount, as applicable (each such Guarantor being an "**Indemnified Guarantor**"), each Guarantor or relevant Guarantor, as applicable, other than the Indemnified Guarantors shall indemnify each Indemnified Guarantor upon demand in respect of each such excess amount.
- (c) In making payment in respect of excess amounts under the indemnity in paragraph (b), account shall be taken of any amounts which an Indemnified Guarantor has actually received or recovered by reason of having exercised (whether through the Security Trustee or otherwise) any right (including of subrogation) against the Principal Debtor, in respect of the Relevant Amount or the Further Relevant Amount.
- (d) Subject to paragraph (c), each Guarantor or relevant Guarantor will be required to make indemnity payments under this clause 3.5 until all such Guarantors have contributed (whether to the Security Trustee or to Indemnified Guarantors) their Relevant Proportion of the Relevant Amount or the Further Relevant Amount, as applicable, as contemplated by paragraph (a).
- (e) Where the Security Trustee has, following receipt of a written request from an Indemnified Guarantor, confirmed (in writing) ("**Demand Confirmation**") that:
  - (i) no Demand is outstanding; and
  - (ii) the Security Trustee has not (as at the date of such Demand Confirmation) received any request under the Security Trust Deed to make a Demand,

an Indemnified Guarantor may exercise against the relevant Guarantors its right to be indemnified under this clause 3.5, provided however that, such Indemnified

Guarantor must immediately cease seeking any such indemnity when a Demand is made.

**3.6 No competition:** No Guarantor shall (unless requested to do so by the Security Trustee):

- (a) take, accept or continue to hold any security from the Principal Debtor or any other person who has given any security to the Security Trustee or any other Guaranteed Creditor for any Principal Debt;
- (b) subject to clause 3.5(e), exercise any right or take the benefit of subrogation, contribution or indemnity, or require marshalling, or claim the benefit of any security now or in the future held by the Security Trustee or any other Guaranteed Creditor for the payment of any Principal Debt;
- (c) take steps to recover (whether directly or by set-off, counterclaim or otherwise), or accept, money or other property, or exercise, enforce or receive the benefit of any rights (including by way of set-off), in respect of any amount due (whether actually or contingently) from the Principal Debtor to that Guarantor; or
- (d) claim or prove in the dissolution of the Principal Debtor or any other person in competition with the Security Trustee or any other Guaranteed Creditor.

**3.7 Guarantor to account:** If, notwithstanding, and in breach of, clause 3.5 or clause 3.6, a Guarantor:

- (a) takes, accepts or continues to hold any such security, money or other property from the Principal Debtor, or from any person who has given any security to the Security Trustee or any other Guaranteed Creditor for any Principal Debt or receives the benefit of a set-off; or
- (b) proves in that Guarantor's own name in the dissolution of the Principal Debtor, or of any other person who has given any security to the Security Trustee or any other Guaranteed Creditor for any Principal Debt (whether or not the Security Trustee or, as applicable, that other Guaranteed Creditor has required that Guarantor to do so, or has consented to that Guarantor doing so), for all or any part of any amount due (whether actually or contingently) from the Principal Debtor or such other person to a Guarantor,

that Guarantor shall immediately pay or transfer to the Security Trustee all such security, money, other property or the benefit of set-off, or all amounts received by that Guarantor in relation to any such proof, and all interest accruing thereon, until the Principal Debt is discharged in full and, until that payment or transfer is made, shall hold such security, money or other property, or the benefit of that proof or set-off, and all interest thereon, on trust for the Security Trustee in an amount not exceeding the Principal Debt then outstanding.

## **4. NATURE AND EXTENT OF OBLIGATIONS**

**4.1 Unconditional and irrevocable:** Each obligation of a Guarantor under this deed is, subject to clause 3.4, unconditional and irrevocable and enforceable notwithstanding that any instrument (negotiable or otherwise) relating to all or any part of the Principal Debt may still be outstanding at the date of enforcement.

- 4.2 **Liable as principal:** Each Guarantor's liability under this deed shall be as a principal debtor and not merely as a surety.
- 4.3 **Other securities:** This deed is in addition to and not in substitution for, is collateral to, and shall not prejudicially affect or be prejudicially affected by, any other security or right which the Security Trustee or any other Guaranteed Creditor may have in respect of any Principal Debt. Any security given by a Guarantor to the Security Trustee (whether given before or after the date of this deed) shall constitute security for the Guaranteed Money.
- 4.4 **Initial Documentation:** Each Initial Guarantor shall, on the date of this deed, deliver the following documents (each of which must be in form and substance satisfactory to the Security Trustee) to the Security Trustee:
- (a) a duly executed first ranking Security Stock Certificate in favour of the Security Trustee in respect of that Guarantor's obligations under this deed;
  - (b) a certificate of compliance for the purposes of section 118 of the Act in relation to the Guarantor's obligations under this deed and the Security Stock Certificate described in paragraph (a);
  - (c) a legal opinion addressed to the Security Trustee from legal counsel acceptable to the Security Trustee in relation to that Guarantor's entry into this deed and the issuance of the first ranking Security Stock Certificate described in paragraph (a);
  - (d) evidence that all necessary regulatory and statutory authorisations, consents, approvals and licences in relation to its entry into this deed and the issuance of the first ranking Security Stock Certificate described in paragraph (a) have been obtained and are current and satisfactory; and
  - (e) notification of the Annual Rates Income in the Financial Statements of the Guarantor in the most recent financial year for which all Initial Guarantors have prepared and adopted an annual report in accordance with sections 98 and 99 of the Act.

## 5. RIGHTS OF THE SECURITY TRUSTEE

- 5.1 **Discretions:** The Security Trustee may at any time:
- (a) determine whether or not to enforce this deed or any other security or right;
  - (b) enforce this deed without first taking steps or proceedings against the Principal Debtor or any other person;
  - (c) make any arrangement or compromise with the Principal Debtor or any other person which the Security Trustee thinks fit; and
  - (d) retain, carry to an interest bearing suspense account, and appropriate at the Security Trustee's discretion, any amount received by the Security Trustee under this deed until the Principal Debt has been paid and satisfied in full.
- 5.2 **No prejudice:** The Security Trustee's rights under this deed are without prejudice, and in addition, to any other right to which the Security Trustee is at any time entitled (whether under

this deed or by law, contract or otherwise), and subject to clause 3.4, may be exercised by the Security Trustee without prior notice to the relevant Guarantor, the Principal Debtor or any other person.

## 6. GROSS-UP

- 6.1 If a Guarantor is required by law to make any deduction or withholding from any amount paid or payable by that Guarantor under this deed then:
- (a) the relevant Guarantor shall ensure that any such deduction or withholding does not exceed the legal minimum and shall pay the amount required to be so deducted, withheld, or paid to the relevant authority before the date on which penalties attach thereto;
  - (b) the amount payable by the relevant Guarantor in respect of which that deduction or withholding is required to be made shall, if the Principal Debtor would have been required to pay an increased amount had the Principal Debtor been required to make the relevant deduction or withholding, be increased to the extent necessary to ensure that after that deduction or withholding is made the Security Trustee receives and retains (free from any liability in respect of any such deduction or withholding) a net amount equal to the amount which the Security Trustee would have received and so retained had no such deduction or withholding been made; and
  - (c) the relevant Guarantor shall promptly deliver to the Security Trustee a receipt issued by the applicable authority evidencing that such deduction or withholding has been made.

## 7. CURRENCY INDEMNITY

- 7.1 **Currency of payment:** Any amount which a Guarantor is required to pay under this deed in respect of the Principal Debt shall be paid in the currency in which the Principal Debtor is obliged to pay the corresponding amount.
- 7.2 **Extent of satisfaction of each Guarantor's obligation:** If any Guaranteed Money is received by the Security Trustee in a currency ("**first currency**") other than the currency ("**second currency**") in which it is payable (whether as a result of obtaining or enforcing an order or judgment, the dissolution of any person or otherwise), the amount received shall only satisfy the relevant Guarantor's obligation to pay such amount to the extent of the amount in the second currency which the Security Trustee is able, in accordance with reasonable practice, to purchase with the amount received in the first currency on the date of that receipt (or, if it is not practicable to make that purchase on that date, on the first date upon which it is practicable to do so).
- 7.3 **Indemnity:** Each Guarantor indemnifies the Security Trustee against:
- (a) any loss sustained by the Security Trustee as a result of the amount purchased by the Security Trustee in the second currency pursuant to clause 7.2 being less than the amount due; and
  - (b) all costs and expenses incurred by the Security Trustee in purchasing the second currency.

## 8. DEFAULT INTEREST

- 8.1 **Default interest payable:** If a Guarantor fails to pay any Guaranteed Money when due ("**overdue amount**"), that Guarantor shall pay interest ("**default interest**") on that overdue amount from its due date until it is paid in full (both before and after any judgment) at the rate per annum determined by the Security Trustee to be equal to the aggregate of 5% per annum and the cost to the relevant Guaranteed Creditor of funding the overdue amount, as advised by the relevant Guaranteed Creditor to the Security Trustee and by the Security Trustee to the relevant Guarantor.
- 8.2 **Calculation of default interest:** Default interest shall be calculated and payable by reference to successive periods of a duration selected by the Security Trustee from time to time (or in the absence of such selection, a period of one month), each of which (other than the first, which shall begin on and include the due date) shall begin on the last day of the previous period, and shall be payable on the last day of each period in respect of which it is calculated and on the date of payment of each overdue amount. Any default interest which is not paid when due shall be added to the overdue amount in respect of which it is payable and shall itself bear interest in accordance with this clause 8.
- 8.3 **Credit to be given:** In calculating the amount of any default interest under this clause 8, credit shall be given, to the extent necessary to avoid any double counting, for any interest payable by the Principal Debtor in the nature of default interest which is included in the Principal Debt.

## 9. REPRESENTATIONS AND ACKNOWLEDGEMENTS

- 9.1 **Representations:** Each Guarantor represents and warrants to the Security Trustee in relation to itself that:
- (a) **Status:** it is either a territorial authority or regional council named as a local authority in Schedule 2 to the Act;
  - (b) **Power:** it has the power generally to enter into, exercise its rights and perform and comply with its obligations under this deed and the other Transaction Documents to which it is a party;
  - (c) **Authorisations:** it has taken all necessary action required on its part to authorise the entry into, execution and delivery of this deed and the other Transaction Documents to which it is a party and the performance of all obligations expressed to be binding on it;
  - (d) **Obligations legally binding:** its obligations under this deed and the other Transaction Documents to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to laws affecting creditors' rights generally and (as to enforceability) to equitable principles of general application);
  - (e) **No conflict:** neither the entry by it into, nor the performance by it of, this deed and the other Transaction Documents to which it is a party will:

- (i) conflict with or result in a breach of, any agreement, document, arrangement, obligation or duty to which it is a party or by which it or any of its assets may be bound; or
  - (ii) violate or contravene any law to which it is subject;
- (f) **Protected transaction:** for the purposes of section 117 of the Act, the entry by the Guarantor into, and the performance by the Guarantor of, this deed and the other Transaction Documents to which it is a party:
- (i) is in compliance with the Act;
  - (ii) is not contrary to any provision of the Act;
  - (iii) is within the capacity, rights and powers of the Guarantor; and
  - (iv) is for a purpose authorised by either the Act or another Act,
- provided that the Security Trustee acknowledges that section 117 of the Act does not apply to any CCO Guarantee given by the Guarantor in respect of a CCO Issuer; and
- (g) **Ranking of obligations:** its obligations under this deed are secured by the Debenture Trust Deed and rank, and will at all times rank, rateably and at least equally in right and priority of payment with all other first ranking secured money under the Debenture Trust Deed.

9.2 **Repetition:** Each Guarantor shall be deemed to repeat the representations and warranties in clause 9.1 on the first day of each month during the term of this deed by reference to the facts and circumstances then existing, until that Guarantor is released in full from its obligations under this deed.

9.3 **Acknowledgements:** Each Guarantor acknowledges:

- (a) for the benefit of the Security Trustee and each other Guaranteed Creditor, in entering into this deed, that it did not rely on any statement, representation, warranty or information of any nature provided to it by or on behalf of any person (including the Security Trustee, any other Guaranteed Creditor, the Principal Debtor or any other Guarantor);
- (b) that the Security Trustee is not under any duty to disclose information to a Guarantor, or to do or execute anything, relating to the affairs of the Principal Debtor with the Security Trustee; and
- (c) that the Security Trustee may disclose any information which the Security Trustee may have concerning a Guarantor to a potential assignee or any other person with whom the Security Trustee may wish to enter into contractual relations in connection with any Principal Debt.

## 10. ATTORNEY

10.1 Each Guarantor irrevocably appoints the Security Trustee and every officer of the Security Trustee, individually, to be the attorney of that Guarantor ("**Attorney**") (with full power to



delegate the Attorney's powers to any person for any period and to revoke any such delegation) to, on behalf of that Guarantor, do anything which, in the Attorney's opinion, is desirable to protect the Security Trustee's or any other Guaranteed Creditor's interests under this deed, and each Guarantor hereby ratifies anything done by the Attorney or any delegate in accordance with this clause.

## 11. LIABILITY NOT PREJUDICED

11.1 **Liability not prejudiced:** Neither the liability of any Guarantor, nor any of the rights of the Security Trustee, under this deed shall be affected or discharged by anything which, but for this clause 11.1, might operate to affect or discharge the liability of, or otherwise provide a defence to, that Guarantor (whether or not known to that Guarantor, the Security Trustee or any other person), including:

- (a) any limitation or incapacity of, or affecting, the Principal Debtor, the Security Trustee or any other Guaranteed Creditor;
- (b) the granting of any time, credit, indulgence or other concession, to the Principal Debtor or any other person by the Security Trustee or any other Guaranteed Creditor;
- (c) any amendment to, or variation of, this deed or any other document, or the Principal Debtor or a Guarantor not receiving notice of any such amendment or variation;
- (d) any other person joining in this deed or giving any other security, or failing or being incompetent to join in this deed or give any other security, or failing to become legally bound to the Security Trustee as intended under any such security;
- (e) the liability of the Principal Debtor or any other person to a Guaranteed Creditor in respect of any of the Principal Debt ceasing from any cause whatever (including release or discharge by a Guaranteed Creditor or the Security Trustee), or any other person failing to become legally bound to a Guaranteed Creditor or the Security Trustee as intended or to perform any of their respective obligations to a Guaranteed Creditor or the Security Trustee;
- (f) failure by the Principal Debtor or any other person to provide any security which has been requested by the Security Trustee or any other person;
- (g) any security held or taken in respect of, or any transaction relating to, any Principal Debt being void, voidable, unenforceable, defective or informal, or being released, partially released, discharged, partially discharged or varied in any way;
- (h) any compounding, compromise, release, abandonment, waiver, variation, relinquishment or renewal, of any agreements, securities, documents of title or assets, or any of the rights of the Guaranteed Creditors or the Security Trustee against the Principal Debtor or any other person;
- (i) the enforcement of, or failure to enforce, any rights of the Security Trustee or any other Guaranteed Creditors under this deed or any other document, or under any law;



- (j) the dissolution of the Principal Debtor or any other person, or the appointment of any receiver, receiver and manager, statutory manager, voluntary administrator, or similar person, or the establishment of any compromise, deed of company arrangement or other arrangement, in respect of the Principal Debtor or any other person;
- (k) the amalgamation, change in constitution, status or control, or reconstruction or reorganisation, of the Principal Debtor, the Security Trustee, any other Guaranteed Creditor or any other person;
- (l) any failure by the Security Trustee or any other Guaranteed Creditor to present, demand, or give notice in respect of, any negotiable instrument;
- (m) the making or granting by a Guaranteed Creditor (whether alone or together with any other person) to, or at the request of, the Principal Debtor (whether alone or together with any other person) of further advances or accommodation or the withdrawal or restriction by a Guaranteed Creditor of any advances or accommodation, or a Guarantor not receiving notice of any such making, granting, withdrawal or restriction;
- (n) any variation to the terms of, or replacement or rearrangement of, any advance made, or accommodation granted, by a Guaranteed Creditor (whether alone or together with any other person) to, or at the request of, the Principal Debtor (whether alone or together with any other person), or a Guarantor not receiving notice of any such variation, replacement or rearrangement;
- (o) the powers of any person purporting to act on behalf of the Principal Debtor in relation to the incurring of any Principal Debt proving to be defective in any respect;
- (p) anything done, or omitted or neglected to be done, by the Security Trustee or any other Guaranteed Creditor, whether in exercise of the rights, powers and remedies vested in the Security Trustee or any other Guaranteed Creditor by this deed or any other document, or otherwise;
- (q) the Principal Debtor or a Guarantor not receiving notice of any Local Authority becoming an Additional Guarantor or of any release under this deed (including, the Principal Debtor or a Guarantor not receiving a copy of any Further Principal Debt Release or Full Release in accordance with clause 15.1 or 15.2); or
- (r) any other matter or thing whatsoever, other than a release of this deed under clause 15.3 (or, as applicable, a Guarantor ceasing to be a Guarantor in accordance with clause 15.2).

## 12. CHANGES TO THE PARTIES

- 12.1 **Deed binding:** This deed is binding on, and is for the benefit of, the parties and their respective successors, permitted assigns and transferees.
- 12.2 **Guarantor may not assign:** No Guarantor may assign or transfer any of its rights or obligations under this deed without the prior written consent of the Security Trustee.

12.3 **Security Trustee may assign:** The Security Trustee may assign and transfer its rights and obligations under this deed to any successor security trustee appointed in accordance with the Security Trust Deed without the consent of any Guarantor. Any such successor security trustee is to have the same rights against the Guarantors under this deed as if named in this deed as the Security Trustee.

12.4 **Additional Guarantors:**

- (a) A Local Authority:
  - (i) who is to become a holder of ordinary shares in the Principal Debtor;
  - (ii) who is to become an Issuer under the Multi-issuer Deed; or
  - (iii) who is an existing Issuer under the Multi-issuer Deed and is required to accede to this deed as an Additional Guarantor,

may become an Additional Guarantor if:

  - (iv) the Local Authority has delivered to the Security Trustee a duly completed and executed Guarantor Accession Deed; and
  - (v) the Security Trustee has received all of the documents and other evidence listed in schedule 2 in relation to that Local Authority, each in form and substance satisfactory to the Security Trustee.
- (b) The Security Trustee shall notify the relevant Local Authority and the Principal Debtor (who shall notify each other Guarantor) promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in schedule 2.

13. **NOTICES**

13.1 **Writing:** Each notice or other communication to be given or made by a party under this deed shall:

- (a) **Writing:** be given or made in writing by facsimile, email or letter and be signed by the sender or an authorised officer of the sender;
- (b) **Address:** be given or made to that party at the address, email address or facsimile number, and marked for the attention of the person (if any), from time to time designated by that party to the other for the purposes of this deed;
- (c) **Deemed delivery:** not be effective until received by that party, and any such notice or communication shall be deemed to be received by that party:
  - (i) (if given or made by letter) when left at the address of that party or five Business Days after being put in the post, postage prepaid, and addressed to that party at that address;
  - (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; or

- (iii) (if given or made by email) when dispatched in tangible, readable form by the sender to the email address advised by the recipient from time to time,

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

13.2 **Initial address and numbers:** The initial address, facsimile number and contact person (if any) designated by:

- (a) each Initial Guarantor, are set out next to the name of that Initial Guarantor in Schedule 1; and
- (b) the Security Trustee, are set out under its execution block in this deed.

## 14. COSTS

14.1 **Costs:** The Guarantors shall pay to the Security Trustee upon Demand all of the Security Trustee's costs, losses and liabilities on a full indemnity basis (including legal expenses on a full indemnity basis and goods and services and similar taxes thereon) incurred or sustained by the Security Trustee in connection with:

- (a) the negotiation, preparation, signing, administration and release of this deed;
- (b) the exercise, enforcement or preservation, or attempted or contemplated exercise, enforcement or preservation, of any right under this deed, or in suing for or recovering any Guaranteed Money; and
- (c) the consideration and/or granting of any waiver or consent under, or the consideration and/or giving of any variation or release of, this deed.

14.2 **Stamp duty and taxes:** The Guarantors shall pay all stamp, documentary, transaction, registration and other like duties and taxes (including fines, interest and penalties), if any, which may be payable or determined to be payable in connection with the signing, delivery, registration, performance, exercise of any right under, or enforcement or variation of, this deed, and each Guarantor shall indemnify the Security Trustee upon Demand against all liabilities with respect to, or resulting from, any delay or omission to pay any such duties or taxes.

## 15. RELEASE AND REINSTATEMENT

15.1 **Release of a Guarantor in respect of further Principal Debt:**

- (a) A Guarantor may request to be released from all liability under this deed for or in relation to further Principal Debt to be incurred by the Principal Debtor, by delivering to the Security Trustee a duly completed Further Principal Debt Release Request.

- (b) A Guarantor may not deliver a Further Principal Debt Release Request unless:
- (i) that Guarantor:
    - (aa) is not a holder of ordinary shares in the Principal Debtor; or
    - (bb) has given a valid Sale Notice in accordance with the Shareholders' Agreement in respect of all of its ordinary shares in the Principal Debtor, and was in accordance with clause 10.6 of the Shareholders' Agreement permitted to transfer such shares within the period referred to in that clause, but despite its commercially reasonable endeavours to do so, was unable to effect such a transfer in that period; and
  - (ii) all amounts which may be or become payable by that Guarantor and, where the Guarantor is a CCO Shareholder, the relevant CCO Issuer(s) to the Principal Debtor under or in connection with the Multi-issuer Deed and the Securities issued by it and the relevant CCO Issuer(s) (if any) have been irrevocably paid in full.
- (c) Where a Guarantor has delivered a Further Principal Debt Release Request in accordance with this clause 15, provided that all amounts which may be or become payable by that Guarantor and, where the Guarantor is a CCO Shareholder, the relevant CCO Issuer(s) to the Principal Debtor under or in connection with any financial indebtedness of the Guarantor or relevant CCO Issuer(s) owed to the Subscriber have been irrevocably paid in full, any arrangements for the provision of debt funding to the Guarantor and (if applicable) relevant CCO Issuer(s) by the Subscriber are immediately and irrevocably cancelled.
- (d) The Guarantor shall provide evidence of the satisfaction of the conditions in sub-paragraphs (b)(i) and (b)(ii) by delivering to the Security Trustee:
- (i) in relation to the condition in sub-paragraph (b)(i) either:
    - (aa) a certified copy of the share register of the Principal Debtor showing that the Guarantor is not a holder of ordinary shares in the Principal Debtor; or
    - (bb) written confirmation signed by a director of the Principal Debtor that the condition at sub-paragraph (b)(i)(bb) has been met,

(and the Principal Debtor agrees to provide the documents described above upon receiving reasonable notice from the Guarantor and provided the condition in sub-paragraph (b)(i) has been satisfied); and
  - (ii) in relation to the condition in sub-paragraph (b)(ii), written confirmation signed by a director of the Principal Debtor that the condition has been met.
- (e) The Security Trustee must accept a duly completed Further Principal Debt Release Request if it is satisfied (acting reasonably) that the conditions set out in sub-paragraphs (d)(i) and (d)(ii) have been met.

- (f) The Security Trustee shall notify the relevant Guarantor of its acceptance of the Further Principal Debt Release Request by delivering a Further Principal Debt Release to the relevant Guarantor and a copy to the Principal Debtor (who shall notify each other Guarantor).
- (g) From the date of the Further Principal Debt Release (for a Guarantor, the "**Further Principal Debt Release Date**"), the relevant Guarantor:
  - (i) shall be released from all liability under this deed in respect of all Principal Debt for which the Principal Debtor becomes actually or contingently liable after the Further Principal Debt Release Date; and
  - (ii) shall continue to be liable under this deed in respect of all Principal Debt for which the Principal Debtor is actually or contingently liable as at the Further Principal Debt Release Date (including, for the avoidance of doubt, any amounts actually or contingently payable under any swap transactions entered into by the Principal Debtor on or prior to the Further Principal Debt Release Date),

and the "Guaranteed Money" of that Guarantor shall be construed accordingly.

- (h) Notwithstanding any provision of this deed to the contrary, a Guarantor that has received a Further Principal Debt Release under this clause 15.1 shall have no liability under clauses 2.1, 2.3, 3.1, 7.3 and 14 for any amounts whatsoever relating to or otherwise in respect of Principal Debt for which the Principal Debtor becomes actually or contingently liable after the Further Principal Debt Release Date relating to that Guarantor (and the "Guaranteed Money" of that Guarantor shall be construed accordingly).

#### 15.2 **Full release of a Guarantor:**

- (a) Where the Security Trustee has delivered a Further Principal Debt Release to a Guarantor, that Guarantor may, at any time after the date of the Further Principal Debt Release, request to be released from all liability under this deed by delivering to the Security Trustee a duly completed Full Release Request attaching written confirmation from the Principal Debtor (signed by a director of the Principal Debtor) that all Principal Debt for which that Guarantor was liable under this deed has been irrevocably paid in full.
- (b) The Security Trustee shall accept a duly completed Full Release Request complying with the requirements of paragraph (a) by delivering a Full Release to that Guarantor and a copy to the Principal Debtor (who shall notify each other Guarantor) as soon as is reasonably practicable following receipt of the Full Release Request.
- (c) On and from the date of the Full Release, the relevant Guarantor shall be released from all liability under this deed.

#### 15.3 **Release of other Guarantors:** Subject to clauses 15.1 and 15.2, the Security Trustee shall not be obliged to sign or deliver a release of this deed unless the Security Trustee is satisfied that:

- (a) the Security Trustee has received all the Guaranteed Money; and

- (b) no payment received, or to be received, by the Security Trustee may be avoided, or required to be repaid by the Security Trustee, whether under any law relating to insolvency or otherwise.

15.4 **Reinstatement:** If any payment received or recovered by the Security Trustee, or any other person on behalf of the Security Trustee, is or may be avoided, whether by law or otherwise, then:

- (a) such payment shall be deemed not to have affected or discharged the liability of a Guarantor under this deed or any other security given by a Guarantor in favour of the Security Trustee, and the Security Trustee and each Guarantor shall be restored to the position in which each would have been if such payment had not been received or recovered; and
- (b) the Security Trustee shall be entitled to exercise all its rights under this deed which it would have been entitled to exercise if such payment had not been received or recovered,

notwithstanding that the Security Trustee may have signed a release pursuant to this clause 15.

## 16. MISCELLANEOUS

16.1 **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 relevant jurisdiction, that illegality, invalidity or unenforceability shall not affect the enforceability of the remaining provisions of this deed, nor shall the legality, validity or enforceability of any provision under the law of any other jurisdiction be in any way affected or impaired thereby.

16.2 **No implied waivers:** Time shall be of the essence in respect of performance by a Guarantor of its obligations under this deed, but no failure on the part of the Security Trustee or any other Guaranteed Creditor to exercise, and no delay on its part in exercising, any right, power or remedy under this deed or any other document relating to any Principal Debt 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.

16.3 **Remedies cumulative:** The rights, powers and remedies provided in this deed are in addition to, and not exclusive of, any rights, powers or remedies provided by law.

16.4 **Consents:** The Security Trustee may give or withhold any approval or consent under this deed in its absolute discretion, and either conditionally or unconditionally.

16.5 **Enforcement:** It shall not be necessary for the Security Trustee to incur any expense or make any payment before enforcing any of the Security Trustee's rights in respect of any obligation of any Guarantor under this deed.

16.6 **Payments on Demand:**

- (a) For the avoidance of doubt, all amounts payable to the Security Trustee under this deed (including all costs and all amounts payable under any indemnity) shall be payable by the relevant Guarantor upon Demand being made on that Guarantor in

accordance with the terms of clause 3.4, and form part of the Guaranteed Money of that Guarantor.

- (b) Each Demand shall be in writing, may be made by facsimile, email or letter, signed by the Security Trustee or an authorised officer of the Security Trustee and must be received in legible form by the relevant Guarantor at the address, email address or facsimile number, and marked for the attention of the person (if any), from time to time designated by that Guarantor to the Security Trustee for the purposes of this deed.
- 16.7 **Separate obligations:** Each of the obligations of the Guarantors under the indemnity given in clause 2.3, and under clauses 3.7, 6, 7, 8 and 14, constitute continuing obligations, separate and independent from each of the Guarantors' other obligations under this deed and shall survive payment of the Principal Debt and termination or release of this deed, provided that, the obligations of the Guarantors under clauses 2.3 and 14 are each subject to clauses 3.4 and 3.5.
- 16.8 **Certificates:** A certificate of the Security Trustee as to any amount or fact which might reasonably be expected to be within the Security Trustee's knowledge shall be prima facie evidence of such amount or fact.
- 16.9 **Annual Rates Income:**
- (a) Each Guarantor shall deliver to the Security Trustee each annual report completed and adopted by it in accordance with sections 98 and 99 of the Act no later than five months after the end of each of its financial years.
  - (b) Each Guarantor shall, upon request (in writing) from the Security Trustee, provide the Security Trustee with any such completed and adopted annual report sooner than the five month period referred to in this clause if the Security Trustee advises that it is required for the purposes of clause 3.4.
  - (c) Each Guarantor shall include its Annual Rates Income for the relevant financial year in the audited financial statements (or notes thereto) included in each annual report referred to in this clause 16.9, as a separate identifiable amount.
  - (d) In the event of any dispute or uncertainty as to the Annual Rates Income of a Guarantor, the Security Trustee shall determine the amount of that Annual Rates Income, and provided the Security Trustee acts in good faith, that determination shall be binding on all the parties.
- 16.10 **Obligations of Guarantors:** This deed binds each of the Guarantors which has executed it (or which has become party to this deed by executing a Guarantor Accession Deed) even though one or more of the named Guarantors may never execute this deed.
- 16.11 **Disclosure by Security Trustee:** Each Guarantor consents to and authorises the Security Trustee to provide any Guaranteed Creditor with information concerning its affairs, financial condition or business which comes into the possession of the Security Trustee from time to time.
- 16.12 **Offer documents:** Each Guarantor undertakes that:
- (a) it will promptly:



- (i) and in any event within 15 Business Days following receipt of a request from the Principal Debtor, provide the Principal Debtor with all information in relation to itself which the Principal Debtor reasonably requests for the purposes of preparing an offering document. The information provided by the Guarantor under this sub-paragraph (a)(i) and paragraph (b) being, "**Disclosure Information**"; and
  - (ii) and in any event within 10 Business Days following receipt of a draft offering document from the Principal Debtor, (acting reasonably and in writing) approve, or provide suggested amendments to, statements in the draft offering document relating to the Guarantor, as identified in writing by the Principal Debtor when providing the draft offering document to the Guarantor ("**Verified Statements**"). Nothing in this clause 16.12 entitles the Guarantor to suggest amendments to any statement in a draft offering document other than those which relate to itself; and
- (b) if it becomes aware of any event having occurred as a result of which any Verified Statement or Disclosure Information would:
  - (i) be false or misleading, or likely to mislead;
  - (ii) not be true and accurate in all material respects; or
  - (iii) omit any fact in relation to the Guarantor the omission of which would make misleading in any material respect any Verified Statement or Disclosure Information,

it will promptly notify the Principal Debtor and provide the Principal Debtor with any information required by the Principal Debtor in order to amend or supplement the Offering Document within 10 Business Days of receipt of a request from the Principal Debtor. The provisions of sub-paragraph (a)(ii) shall apply to any draft amendment or supplement to any Offering Document as if such document was a "draft offering document", provided that the timeframe in sub-paragraph (a)(ii) shall be deemed to be 5 Business Days.

- 16.13 **Contract and Commercial Law Act:** For the purposes of the Contract and Commercial Law Act 2017 the provisions of clause 16.12 are intended to confer a benefit upon the Principal Debtor and to be enforceable by the Principal Debtor directly.

## 17. COUNTERPARTS

- 17.1 **Counterparts:** This deed may be signed in any number of counterparts, all of which will together constitute one and the same instrument, and any of the parties may execute this deed by signing any such counterpart.

## 18. GOVERNING LAW AND JURISDICTION

- 18.1 **Governing law:** This deed shall be governed by, and construed in accordance with, the laws of New Zealand, and the parties hereby submit to the non-exclusive jurisdiction of the courts of New Zealand.



**19. NO CROWN GUARANTEE**

- 19.1 The parties acknowledge that the obligations and liabilities of the Principal Debtor under this deed are not guaranteed by the Crown.

**SIGNATURES**

[Original execution blocks intentionally deleted]

**SCHEDULE 1****Initial Guarantors**

INITIAL GUARANTORS	ADDRESS FOR NOTICES
Auckland Council	<p>Delivery Address: 135 Albert Street Auckland 1010</p> <p>Postal Address: Private Bag 92300 Victoria Street West Auckland 1142</p> <p>Email: john.bishop@aucklandcouncil.govt.nz</p> <p>Attention: John Bishop, Group Treasurer</p>
Bay Of Plenty Regional Council	<p>Delivery Address: 5 Quay Street Whakatāne</p> <p>Postal Address: P O Box 364 Whakatāne 3158</p> <p>Email: mat.taylor@boprc.govt.nz</p> <p>Attention: Mat Taylor</p>
Christchurch City Council	<p>Delivery Address: Civic Offices 53 Hereford Street Christchurch</p> <p>Postal Address: P O Box 73016 Christchurch 8154</p> <p>Email: Treasury@ccc.govt.nz</p> <p>Attention: Andrew Jefferies</p>
Hamilton City Council	<p>Delivery Address: 260 Anglesea Street</p>

INITIAL GUARANTORS	ADDRESS FOR NOTICES
	<p>Council Building Garden Place Hamilton 3240</p> <p>Postal Address: Private Bag 3010 Hamilton 3240</p> <p>Email: david.bryant@hcc.govt.nz</p> <p>Attention: David Bryant</p>
Hastings District Council	<p>Delivery Address: 207 Lyndon Road East Hastings 4122</p> <p>Postal Address: Private Bag 9002 Hastings 4156</p> <p>Email: brucea@hdc.govt.nz</p> <p>Attention: Bruce Allan</p>
Masterton District Council	<p>Delivery Address: 27 Lincoln Road Masterton 5810</p> <p>Postal Address: PO Box 444 Masterton 5840</p> <p>Email: davidp@mstn.govt.nz</p> <p>Attention: Manager Finance</p>
New Plymouth District Council	<p>Delivery Address: Liardet St New Plymouth</p> <p>Postal Address: Private Bag 2025 New Plymouth 4342</p> <p>Email:</p>

## INITIAL GUARANTORS

## ADDRESS FOR NOTICES

alison.trustrumrainey@npdc.govt.nz /  
carla.freeman@npdc.govt.nz

Attention: Alison TrustrumRainey / Carla Freeman

## Ōtorohanga District Council

Delivery Address:  
17 Maniapoto Street  
Ōtorohanga 3940

Postal Address  
PO Box 11  
Ōtorohanga 3940

Email: grahamb@otodc.govt.nz

Attention: Graham Bunn

## Selwyn District Council

Delivery Address:  
2 Norman Kirk Drive  
Rolleston

Postal Address:  
P O Box 90  
Rolleston 7643

Email: Treasury.management@selwyn.govt.nz

Attention: Greg Bell

## South Taranaki District Council

Delivery Address:  
105-111 Albion Street  
Hawera 4610

Postal Address:  
Private Bag 902  
Hawera 4640

Email: Vipul.mehta@stdc.govt.nz

Attention: Vipul Mehta

## Tasman District Council

Delivery Address:  
189 Queen Street,  
Richmond, Nelson 7050

Postal Address

## INITIAL GUARANTORS

## ADDRESS FOR NOTICES

Private Bag 4  
Richmond, Nelson 7050

Email: treasury@tasman.govt.nz

Attention: Corporate Services Manager

Taupo District Council

Delivery Address:  
72 Lake Terrace  
Taupo 3330

Postal Address:  
Private Bag 2005  
Taupo 3352

Email: nward@taupo.govt.nz

Attention: Neil Ward

Tauranga City Council

Delivery Address:  
91 Willow Street  
Tauranga 3143

Postal Address:  
Private Bag 12022  
Tauranga 3143

Email: treasury.settlements@tauranga.govt.nz

Attention: Mohan De Mel

Waipa District Council

Delivery Address:  
101 Bank Street  
Te Awamutu

Postal Address:  
Private Bag 2402  
Te Awamutu 3800

Email: Farrah.Templeton@waipadc.govt.nz  
Kumaren.PerumalSarah.Davies@waipadc.govt.nz  
Ken.Morris@waipadc.govt.nz

Attention: Ken Morris

Wellington City Council

Delivery Address:

## INITIAL GUARANTORS

## ADDRESS FOR NOTICES

Wellington City Council  
113 The Terrace  
Wellington

Postal Address:  
PO Box 2199  
Wellington 6140

Email: martin.read@wcc.govt.nz

Attention: Martin Read

Wellington Regional Council

Delivery Address:  
Shed 39, 2 Fryatt Quay, Pipitea  
Wellington 6011

Postal Address:  
P O Box 11646  
Manners Street  
Wellington 6142

Email: mike.timmer@gw.govt.nz  
matthias.zuschlag@gw.govt.nz

Attention: Mike Timmer

Western Bay Of Plenty District Council

Delivery Address:  
Barkes Corner  
Greerton  
Tauranga

Postal Address:  
Private Bag 12803  
Tauranga 3143

Email: kumaren.perumal@westernbay.govt.nz

Attention: Kumaren Perumal

Whangarei District Council

Delivery Address:  
Forum North  
Rust Avenue  
Whangarei

Postal Address:

INITIAL GUARANTORS	ADDRESS FOR NOTICES
	Private Bag 9023 Whangarei 0148  Email: alan.adcock@wdc.govt.nz  Attention: Alan Adcock



**SCHEDULE 2****Conditions precedent to be delivered by an Additional Guarantor****1. Accession Documents**

- (a) A Guarantor Accession Deed duly executed by the Additional Guarantor.
- (b) A first ranking Security Stock Certificate issued by the Additional Guarantor in favour of the Security Trustee in respect of the Additional Guarantor's obligations under this deed, in a form acceptable to the Security Trustee.

**2. Additional Guarantor certificate**

A certificate of compliance for the purposes of section 118 of the Act in relation to the Additional Guarantor's obligations under this deed and the first ranking Security Stock and Security Stock Certificate described in paragraph 1(b).

**3. Legal opinion**

Legal opinion addressed to the Security Trustee from legal counsel acceptable to the Security Trustee in relation to the Additional Guarantor's entry into the Guarantor Accession Deed and the issuance of the first ranking Security Stock and Security Stock Certificate described in paragraph 1(b).

**4. Other documents and evidence**

- (a) Evidence that all necessary regulatory and statutory authorisations, consents, approvals and licences in relation to the Additional Guarantor's entry into the Guarantor Accession Deed and the issuance of the first ranking Security Stock and Security Stock Certificate described in paragraph 1(b) have been obtained and are current and satisfactory.
- (b) Notification of the Annual Rates Income in the Financial Statements of the Additional Guarantor in the most recent financial year for which all Guarantors have prepared and adopted an annual report in accordance with sections 98 and 99 of the Act.
- (c) Any other document or evidence reasonably requested by the Security Trustee.

## SCHEDULE 3

## Form of Demand

## Part 1

## Form of initial Demand under clause 3.4(b)

To: [Name of Guarantor] ("**Guarantor**")

From: [Name of Security Trustee] as Security Trustee

Dated:

Dear Sirs

**Guarantee and Indemnity dated 7 December 2011 ("**Guarantee**")**

1. We refer to the Guarantee. Terms defined in the Guarantee have the same meaning when used in this Demand unless given a different meaning in this Demand.
2. We advise that the sum of [NZ\$●] ("**Relevant Amount**") is payable to the Security Trustee under the Guarantee.
3. We further advise that your Relevant Proportion is [●]%, calculated as:

Annual Rates Income for the Relevant Financial Year	
Aggregate Annual Rates Income of all Guarantors for the Relevant Financial Year	

4. We therefore demand payment of the sum of [NZ\$●], being your Relevant Proportion of the Relevant Amount.
5. Payment should be made to the following account by no later than 5:00 pm on [insert date two Business Days after the date of this Demand assuming delivery by courier, email or fax]:

Name: [●]  
 Account Number: [●]  
 Bank: [●]

6. This Demand is governed by New Zealand law.

Yours faithfully

**[Name of Security Trustee]**

By:

**Part 2**  
**Form of further Demand under clause 3.4(c)\***

To: [Name of Guarantor] ("**Guarantor**")

From: [Name of Security Trustee] as Security Trustee

Dated:

Dear Sirs

**Guarantee and Indemnity dated 7 December 2011 ("**Guarantee**")**

1. We refer to the Guarantee and to the Demand[s] dated [●] ("**Prior Demand[s]**"). Terms defined in the Guarantee have the same meaning when used in this Demand unless given a different meaning in this Demand.
2. We advise that there is a Shortfall Amount of [NZ\$●].
3. We further advise that your Additional Relevant Proportion is [●]%, calculated as:

Annual Rates Income for the Relevant Financial Year	
Aggregate Annual Rates Income of all Non-Defaulting Guarantors for the Relevant Financial Year	

4. We therefore demand payment of the sum of [NZ\$●], being your Additional Relevant Proportion of the Shortfall Amount.
5. Payment should be made to the following account by no later than 5:00 pm on [insert date two Business Days after the date of this Demand assuming delivery by courier, email or fax]:

Name: [●]  
Account Number: [●]  
Bank: [●]

6. This Demand is governed by New Zealand law.

Yours faithfully

**[Name of Security Trustee]**

By:

\* Security Trustee to update the form of notice each time a further Demand is provided under 3.4(d).

**SCHEDULE 4****Form of Guarantor Accession Deed****ACCESSION DEED** dated**GRANTED BY***[Name of Additional Guarantor]* ("**Additional Guarantor**")**IN FAVOUR OF***[Name of Security Trustee]* ("**Security Trustee**")**INTRODUCTION**

- A. Each of the Local Authorities listed in schedule 1 to this deed ("**Guarantors**") is party to a guarantee and indemnity ("**Guarantee**") dated 7 December 2011 in favour of the Security Trustee (whether as a party to the original Guarantee or by becoming a Guarantor pursuant to a deed equivalent to this deed).
- B. The Additional Guarantor is to become a Guarantor under the Guarantee by entering into this deed.

**COVENANTS**

- 1. **Definitions:** In this deed, capitalised terms shall have the meanings given to them in the Guarantee unless they are defined in this deed.
- 2. **Deemed to be a Guarantor:** With effect from the date of this deed, the Additional Guarantor will be deemed to be named as a Guarantor under the Guarantee as if originally included and named in the Guarantee.
- 3. **Guarantee:** The Additional Guarantor guarantees to the Security Trustee, for the benefit of the Guaranteed Creditors, the due payment or delivery by the Principal Debtor of the Principal Debt. The provisions of the Guarantee shall apply to the guarantee given by the Additional Guarantor under this deed in the same manner, and to the same extent, as if the same had (with all necessary modification) been set out in full in this deed.
- 4. **Representations and warranties:** The Additional Guarantor makes the representations and warranties in clause 9.1 of the Guarantee in relation to itself to the Security Trustee by reference to the facts and circumstances then existing (and as though each reference in clause 9.1 to Guarantor was to the Additional Guarantor and each reference to the Transaction Documents included this deed).
- 5. **Attorney:** The Additional Guarantor irrevocably appoints the Security Trustee and every officer of the Security Trustee, individually, to be the attorney of the Additional Guarantor ("**Attorney**") (with full power to delegate the Attorney's powers to any person for any period and to revoke any such delegation) to, on behalf of the Additional Guarantor, do anything which, in the

Attorney's opinion, is desirable to protect the Security Trustee's or any other Guaranteed Creditor's interests under this deed and/or the Guarantee, and the Additional Guarantor hereby ratifies anything done by the Attorney or any delegate in accordance with this clause 4.

6. **Implied provisions:** For the purposes of section 14 of the Property Law Act 2007, the Additional Guarantor acknowledges that this deed is, and for all purposes and at all times shall be construed as being, supplemental to the Guarantee.
7. **Address for notice:** The initial address, facsimile number, email address and contact person (if any) of the Additional Guarantor for the service of notices is:
 

Address:           [•]

Fax:               [•]

Email:             [•]

Attention:         [•]
8. **Governing law:** This deed shall be governed by, and construed in accordance with the laws of New Zealand, and the parties hereby submit to the non-exclusive jurisdiction of the courts of New Zealand.
9. **[CCO]:** *[Include if Additional Guarantor is a CCO Shareholder]*.
- 9.1 **[CCO Shareholder]:** *[As at the date of this deed, the Additional Guarantor is a CCO Shareholder in respect of: **[specify each relevant CCO Issuer]**].*

## EXECUTED AS A DEED

**Additional Guarantor**

***[Execution block to be inserted]***

**SCHEDULE 1****Existing Guarantors**

**[Insert names of existing Guarantors]**

**SCHEDULE 5****Part 1****Form of Further Principal Debt Release Request**

To: [Name of Security Trustee] as Security Trustee

From: [Name of terminating Guarantor]

Dated:

**Guarantee and Indemnity dated 7 December 2011 ("Guarantee")**

1. We refer to the Guarantee.
2. This is a Further Principal Debt Release Request. Terms defined in the Guarantee shall have the same meaning in this Further Principal Debt Release Request.
3. We request pursuant to clause 15.1 of the Guarantee that we be released from all liability under the Guarantee for or in relation to further Principal Debt to be incurred by the Principal Debtor.
4. We confirm that:
  - (a) [we are not a holder of ordinary shares of the Principal Debtor, as evidenced by the current share register of the Principal Debtor showing that the Guarantor is not a holder of ordinary shares of the Principal Debtor, a certified copy of which is attached to this Further Principal Debt Release Request] **OR** [we have given a valid Sale Notice in accordance with the Shareholders' Agreement in respect of all of our ordinary shares in the Principal Debtor, and were in accordance with clause 10.6 of the Shareholders' Agreement permitted to transfer such shares within the period referred to in that clause, but despite our commercially reasonable endeavours to do so, were unable to effect such a transfer in that period, as evidenced by the letter from the Principal Debtor (signed by a director) attached to this Further Principal Debt Release Request]; *[delete option as applicable]* and
  - (b) all amounts which may be or become payable by us to the Principal Debtor and, where we are a CCO Shareholder, the relevant CCO Issuer(s) under or in connection with the Multi-issuer Deed and the Securities issued by us and the relevant CCO Issuer(s) (if any) have been irrevocably paid in full, as evidenced by the letter from the Principal Debtor (signed by a director) attached to this Further Principal Debt Release Request.

Yours faithfully

[Name of terminating Guarantor]

By:

*[Attach supporting documents]*



**Part 2**  
**Form of Further Principal Debt Release**

To: [Name of terminating Guarantor]

Copy to: New Zealand Local Government Funding Agency Limited

From: [Name of Security Trustee] as Security Trustee

Dated:

**Guarantee and Indemnity dated 7 December 2011 ("Guarantee")**

1. We refer to the Guarantee and your Further Principal Debt Release Request dated [●].
2. This is a Further Principal Debt Release. Terms defined in the Guarantee shall have the same meaning in this Further Principal Debt Release unless given a different meaning in this Further Principal Debt Release.
3. We confirm that with effect from the date of this Further Principal Debt Release (the "**Further Principal Debt Release Date**"), you:
  - (a) shall be released from all liability under the Guarantee in respect of all Principal Debt for which the Principal Debtor becomes actually or contingently liable after the Further Principal Debt Release Date; and
  - (b) shall continue to be liable under the Guarantee in respect of all Principal Debt for which the Principal Debtor is actually or contingently liable as at the Further Principal Debt Release Date (including, for the avoidance of doubt, any amounts actually or contingently payable under any swap transactions entered into by the Principal Debtor on or prior to the Further Principal Debt Release Date).
4. We request the Principal Debtor to notify the other Guarantors of this Further Principal Debt Release in accordance with clause 15.1(f) of the Guarantee.

Yours faithfully  
[Name of Security Trustee]

By:

**SCHEDULE 6****Part 1  
Form of Full Release Request**

To: [Name of Security Trustee] as Security Trustee

From: [Name of terminating Guarantor]

Dated:

**Guarantee and Indemnity dated 7 December 2011 ("Guarantee")**

1. We refer to the Guarantee.
2. This is a Full Release Request. Terms defined in the Guarantee shall have the same meaning in this Full Release Request.
3. We request to cease to be a Guarantor pursuant to clause 15.2 of the Guarantee.
4. We confirm that all Principal Debt for which we were liable under the Guarantee has been irrevocably paid in full, as evidenced by the written confirmation from the Principal Debtor (signed by a director of the Principal Debtor) to that effect attached to this Full Release Request.

Yours faithfully  
[Name of terminating Guarantor]

By:

[Attach supporting letter]

**Part 2**  
**Form of Full Release**

To: [Name of terminating Guarantor]

Copy to: New Zealand Local Government Funding Agency Limited

From: [Name of Security Trustee] as Security Trustee

Dated:

**Guarantee and Indemnity dated 7 December 2011 ("Guarantee")**

1. We refer to the Guarantee and your Full Release Request dated [●]. This is a Full Release. Terms defined in the Guarantee shall have the same meaning in this Full Release.
2. With effect from the date of this Full Release the Security Trustee releases you from the Guarantee.
3. However, notwithstanding the release given in paragraph 2, if any payment received or recovered by the Security Trustee, or any other person on the Security Trustee's behalf, is or may be avoided, whether by law or otherwise, then:
  - (a) such payment shall be deemed not to have affected or discharged your liability as a Guarantor under the Guarantee or any other security given by you as a Guarantor in favour of the Security Trustee, and the Security Trustee and you shall be restored to the position in which each would have been if such payment had not been received or recovered; and
  - (b) the Security Trustee shall be entitled to exercise all its rights under the Guarantee which it would have been entitled to exercise if such payment had not been received or recovered.
4. We request the Principal Debtor to notify the other Guarantors of this Full Release in accordance with clause 15.2(b) of the Guarantee.

Yours faithfully  
[Name of Security Trustee]

By:



## CHIEF EXECUTIVE CERTIFICATE

I, \_\_\_\_\_, the Chief Executive of

\_\_\_\_\_ Council (**Council**) certify as follows:

### 1. RESOLUTIONS

1.1 The Council has, by all necessary resolutions duly passed (**Resolutions**):

- (a) approved the transactions contemplated by the documents referred to in the schedule to this certificate (**Documents**), or delegated sufficient authority to the person(s) who has approved those transactions to give that approval; and
- (b) authorised execution of the Documents by the Council, or delegated sufficient authority to the person(s) who authorised execution of the Documents to give that authorisation.

1.2 The Resolutions remain in full force and effect.

### 2. COMPLIANCE WITH THE ACT

For the purposes of section 118 of the Local Government Act 2002 (**Act**), in entering into the Documents and performing its obligations under the Documents, and all other documentation contemplated by or entered into in connection with the Documents, the Council has complied with the Act.

### 3. DUE EXECUTION

The Documents have been properly executed by the Council.

This certificate is given by me in my capacity as Chief Executive 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:** 2020

\_\_\_\_\_  
Chief Executive

**SCHEDULE**  
**"Documents"**

Words and expressions defined in the Multi-Issuer Deed dated 7 December 2011 (as amended and restated on 4 June 2015) between New Zealand Local Government Funding Agency Limited ("**LGFA**") and various local authorities ("**Multi-issuer Deed**") have the same meanings in this certificate.

1. An amendment and restatement deed to be dated on the date notified by LGFA to the Council between (amongst others) the Council and LGFA in relation to the Multi-issuer Deed.
2. An amendment and restatement deed to be dated on the date notified by LGFA to the Council between (amongst others) the Council and LGFA in relation to the Notes Subscription Agreement.
3. An amendment and restatement deed to be dated on the date notified by LGFA to the Council between (amongst others) the Council and TEL Security Trustee (LGFA) Limited in relation to the Guarantee.

**RESOLUTION TO EXCLUDE THE PUBLIC**

That the public be excluded from the following parts of proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

1.	The making available of information would be likely to unreasonably prejudice the commercial position of persons who are the subject of the information. {Section 7(2)(c)}
2.	To enable the council (the committee) to carry on without prejudice or disadvantage commercial negotiations. {(Section 7(2)(i))}.
3.	To protect the privacy of natural persons. {Section 7(2)(a)}.
4.	Publicity prior to successful prosecution of the individuals named would be contrary to the laws of natural justice and may constitute contempt of court. {Section 48(1)(b)}.
5.	To protect information which is the subject to an obligation of confidence, the publication of such information would be likely to prejudice the supply of information from the same source and it is in the public interest that such information should continue to be supplied. {Section 7(2)(c)(i)}.
6.	In order to maintain legal professional privilege. {Section 2(g)}.
7.	To enable the council to carry on without prejudice or disadvantage, negotiations {Section 7(2)(i)}.

**Resolution to allow members of the public to remain**

If the council/committee wishes members of the public to remain during discussion of confidential items the following additional recommendation will need to be passed:

**Move/Second**

"That \_\_\_\_\_ be permitted to remain at this meeting, after the public has been excluded, because of his/her/their knowledge of Item \_\_\_\_\_.

This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because \_\_\_\_\_.

*Note:*

*Every resolution to exclude the public shall be put at a time when the meeting is open to the public.*