

Dated 11 December 2023

**DEED OF VARIATION OF DEED OF
DECLARATION OF TRUST**

CENTRAL PLAINS WATER TRUST

DEED OF VARIATION OF DEED OF DECLARATION OF TRUST

DATED

11 December .

2023

PARTIES

1. **CHRISTCHURCH CITY COUNCIL and SELWYN DISTRICT COUNCIL (Settlers)**
2. **OLIVE WEBB, ELLE ARCHER, ROB LAWRENCE, PAT MCEVEDY and LES WANHALLA (Trustees)**

BACKGROUND

- A. The Trustees are the present trustees of the Central Plains Water Trust established pursuant to a Deed of Declaration of Trust dated 15 April 2003 as subsequently varied (**Trust Deed**).
- B. Pursuant to clause 17.1 of the Trust Deed, subject to any relevant legislation for the time being in force and only with the prior written consent of the Settlers, the Trustees have the power by deed to amend, revoke or add to any of the provisions of the Trust Deed unless to do so would amend, revoke or add to the Objects or would enable a payment or application of any part of the Trust Fund in a manner that is inconsistent with the Objects.
- C. Having regard to the principles set out in section 4 of the Trusts Act 2019 and having complied with the requirements of clause 17.1 of the Trust Deed, the Trustees wish to amend the Trust Deed as provided for in this deed.

TERMS OF THIS DEED

1. DEFINITIONS

- 1.1 Any capitalised term in this deed shall, unless the context otherwise requires, have the same meaning given to it in the Trust Deed.

2. VARIATION OF TRUST DEED

- 2.1 The Settlers consent to the variations to the Trust Deed as shown marked up in the Trust Deed attached as the Schedule to this deed.
- 2.2 The Trustee agrees that, with effect from the date of this deed, the Trust Deed is varied as shown marked up in the Trust Deed attached as the Schedule to this deed.
- 2.3 The variations to the Trust Deed will not limit or prejudice in any way any parties' rights and obligations under the Trust Deed that arose or accrued prior to the date of this deed.

3. COUNTERPARTS

- 3.1 This deed may be executed in any number of counterparts (including e-mail and scanned copies), all of which, when taken together, will constitute one and the same instrument. A party may enter into this deed by executing any counterpart.

EXECUTION

THE COMMON SEAL of the CHRISTCHURCH CITY COUNCIL was hereto affixed in the presence of:



[Signature]

Mayor/Councillor

[Signature]

Councillor/ Authorised Officer

THE COMMON SEAL of the SELWYN DISTRICT COUNCIL was hereto affixed in the presence of:



[Signature]

Mayor/Councillor

[Signature]

Councillor/ Authorised Officer

EXECUTED as a DEED by OLIVE WEBB in the presence of

[Signature]
Signature

[Signature]
Witness signature

AURIEL THERESE DAVEL
Full name

c/o PO Box 90 Rolleston, SDC
Address

Governance Adviser
Occupation

Note: The signature must be witnessed by an independent person

EXECUTED as a DEED by ELLE ARCHER in the presence of

[Signature]
Signature

[Signature]
Witness signature

AURIEL THERESE DAVEL
Full name

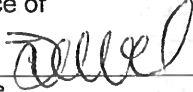
EA 186 / c/o PO Box 90 Rolleston
Address

Director Governance Adviser, SDC
Occupation

Note: The signature must be witnessed by an independent person

EXECUTED as a DEED by
ROB LAWRENCE
in the presence of


Signature


Witness signature

AURIEL THERESE DAVEL
Full name

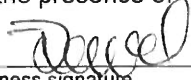
PO Box 910 Rolleston
Address

Governance Advisor, SDC
Occupation

Note: The signature must be witnessed by an independent person

EXECUTED as a DEED by
PAT MCEVEDY
in the presence of


Signature


Witness signature

AURIEL THERESE DAVEL
Full name

PO Box 910 Rolleston
Address

Governance Advisor, SDC
Occupation

Note: The signature must be witnessed by an independent person

EXECUTED as a DEED by
LES WANHALLA
in the presence of


Signature


Witness signature

AURIEL THERESE DAVEL
Full name

PO Box 910 Rolleston
Address

Governance Advisor, SDC
Occupation

Note: The signature must be witnessed by an independent person

DECLARATION OF TRUST

relating to

CENTRAL PLAINS WATER TRUST

Settlers

**CHRISTCHURCH CITY COUNCIL
SELWYN DISTRICT COUNCIL**

Trustees

**THE PERSONS
LISTED IN SCHEDULE 1**

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DECLARATION OF TRUST

relating to

CENTRAL PLAINS WATER TRUST

DATED 9 October 2012

PARTIES

- (1) **THE CHRISTCHURCH CITY COUNCIL** and **SELWYN DISTRICT COUNCIL** (together "the Settlers")
- (2) **THE PERSONS LISTED IN SCHEDULE 1** ("the Trustees")

RECITALS

- A. The Central Plains Water Trust ("the Trust") was created by a Deed of Declaration of Trust dated 15 April 2003 ("The Original Declaration of Trust") and was incorporated under The Charitable Trusts Act 1957 on 26 September 2003 for the purpose of creating a charitable trust for the benefit of the present and future residents of the Regions as described below. The money contributed for such purposes was entrusted to a board of trustees ("the Board") of the Trust and the Board has held and distributed the money upon the trusts and subject to the terms and conditions set out in the Original Declaration of Trust.
- B. The Board entered into contractual arrangements with Central Plains Water Limited ("CPWL") in November 2004 under which (inter alia) CPWL agreed to obtain resource consents under the Resource Management Act 1991 and other consents for and on behalf of the Board in return for which the Board agreed to license the consents to CPWL for the purpose of constructing and operating a water enhancement scheme usually referred to as the Central Plains Water Scheme ("the Scheme"), and the consents were duly obtained and were issued in the name of the Trust by the Environment Court on 25 July 2012.
- C. As part of the settlement agreements with various objecting submitters to the process under the Resource Management Act 1991 for the consents which have been issued, and in order to ensure that the Trust will continue qualify for registration as a re-registered charitable trust under the Charitable Trusts Act 1957, the Board proposed certain amendments to the objects specified in The Original Declaration of Trust and to seek the consent of the settlers for those amendments under clause 18.1 of The Original Declaration of Trust; and the settlers have advised the Board of their intention to consent thereto as set out in this Deed.

IT IS DECLARED

1. GENERAL

1.1 In this Deed the following terms shall, where the context admits, have the following meanings:

- (a) "**Act**" means the Trusts Act 2019;
- (b) "**CCC**" means The Christchurch City Council;
- (c) "**Income**" means the income earned by the Trust, including donations and grants;
- (d) "**Income Year**" means any year or other accounting period ending on a Balance Date;
- (e) "**Regions**" means the respective areas within the geographical boundaries of CCC and SDC;
- (f) "**Scheme**" means the Central Plains Water Enhancement Scheme;
- (g) "**SDC**" means Selwyn District Council;
- (h) "**Trust**" means the charitable trust declared and constituted under this Deed;
- (i) "**Trustees**" means the Trustees for the time being of the Trust);
- (j) "**Trust Fund**" means the resource and other statutory consents applied for and obtained by the Trustees and any money, investments or other property paid or given to or acquired by the Trustees after this Deed has been executed with the intention that it be held by the Trustees in accordance with the trusts and other provisions of this Deed;

1.2 In this Deed the following provisions shall apply:

- (a) references to clauses are to clauses of this Deed;
- (b) references to schedules are to schedules in this Deed;
- (c) references to this Deed include its schedules;
- (d) references to the provisions of any Act shall be construed as a reference to those provisions as modified, extended or replaced by any statute for the time being in force;
- (e) words importing the singular include the plural and vice versa;
- (f) words importing one gender include the others; and
- (g) the contents page and the headings to clauses are for convenience only and are not part of the content of this Deed.

2. ACKNOWLEDGMENT OF TRUST

2.1 The Settlers direct that the Trustees, and the Trustees acknowledge that they have been directed, to hold the Trust Fund upon the trusts and with the powers set out in this Deed.

3. NAME OF TRUST

- 3.1 The Trust is known as the Central Plains Water Trust but the Trustees may amend or change the name.

4. OBJECTS OF TRUST

- 4.1 The Settlers declare that the Trust is a trust for charitable purposes for the benefit of the present and future inhabitants of the Regions and further declare and direct that the Trust Fund may be applied and used exclusively by the Trustees for the following exclusively charitable purposes within New Zealand ("the Objects"), namely:
- 4.2 To promote the development of agriculture in the Central Canterbury Plains area of New Zealand for the benefit of all of the inhabitants of the Canterbury Region by:
- 4.2.1 Encouraging supporting and facilitating:
- a) sustainable development of the water resources of the Region
 - b) agricultural and horticultural diversity in the Central Canterbury Plains area
 - c) an appropriate balance of the benefits of agricultural development with the enhancement of ecological, social and recreational values in the Central Plains area.
- 4.2.2 Providing and facilitating education to the inhabitants of the Region in relation to water issues and sustainable agricultural development.
- 4.3 In pursuance of the Objects, the Trustees will have regard to:
- (a) appropriate strategic development plans for the water resources of the Regions;
 - (b) whether other sources of funding or support are available, including assistance provided through industry or regional development policies and programs of local authorities or central government;
 - (c) the objectives, roles and activities of any other organisations engaged in economic development activities in the Regions;
 - (d) inter-generational issues to order to promote long term sustainability of the water resources of the Regions; and
 - (e) the vision and principles agreed by the Trust to apply to the Scheme, as set out in the agreement in relation to the Scheme between Te Runanga o Ngai Tahu, Te Taumutu Runanga Inc, Te Ngai Tuahuriri Inc, Wairewa Runanga Inc, Te Runanga o Arowhenua Trust, Central Plains Water Trust and Central Plains Water Limited dated 29 May 2012, and any other matters that they believe are relevant.
- 4.4 The Objects of the Trust are and shall be charitable and shall not include or extend to any matter or thing which is or shall be held or determined to be non-charitable. Any private benefit which is conferred on any individual or individuals must be incidental to the pursuit by the Trust of the Objects and must comply with clauses 12 and 14. The powers and purposes of the Trustees shall

be restricted accordingly and limited to New Zealand.

5. INCOME TRUSTS

- 5.1 The Trustees may pay, apply or appropriate, or decide to pay, apply or appropriate as much of the income arising from the Trust Fund in an Income Year as they think fit for or towards one or more of the Objects of the Trust. If the Trustees provide for more than one Object they need not treat each Object equally.
- 5.2 The Trustees, by written resolution, may appropriate any investments for one or more of the Objects of the Trust in anticipation of a payment or application under clause 6.1.
- 5.3 In any Income Year, the Trustees may appropriate all or part of the income derived or to be derived from the Trust Fund during that Income Year even though, at the time of appropriation, they have not received the income being appropriated.
- 5.4 If the Trustees appropriate any income for any purpose of the Trust the recipient of that income shall take an absolute and indefeasible interest in that income as from the date on which it is appropriated.
- 5.5 The Trustees need not distribute all of the income arising from the Trust Fund in an Income Year, but may retain or decide to retain all or part of that income to establish or augment any reserve fund, which may be used at any later time for any purpose for which income arising from the Trust Fund may be used.

6. CAPITAL TRUSTS

- 6.1 At any time, the Trustees may, or may decide to pay, apply or appropriate as much of the capital of the Trust Fund as they think fit for or towards one or more of the Objects of the Trust. If the Trustees so provide for more than one Object they need not treat each Object equally. Any payment, application or appropriation of capital may be made either in addition to or in place of any payment, application or appropriation of income.

7. POLICIES AND PROCEDURES OF TRUST

- 7.1 The Trustees will develop and will from time to time review and alter the policies and procedures which they will follow in administering the Trust and in particular in distributing the Trust Fund in order to pursue the Objects.

8. DONATIONS

- 8.1 The Trustees may accept any property that is donated to the Trust.
- 8.2 The Trustees must not accept any property subject to any condition that is inconsistent with the achievement of the Objects.
- 8.3 All property donated to the Trust will form part of the Trust Fund.

9. TRUSTEES' GENERAL DUTY OF CARE

- 9.1 Notwithstanding section 29 of the Act, it is hereby declared that the care and skill to be exercised by the Trustees when administering the Trust shall at all times be the care and skill that is reasonable in the circumstances, without having regard to:
- (a) any special knowledge or experience that a Trustee has or holds themselves out as having; and
 - (b) if a Trustee acts as a trustee in the course of a business or profession, any special knowledge or experience that is reasonable to expect of a person acting in the course of that kind of business or profession.

10. INVESTMENT OF TRUST FUND

- 10.1 The Trustees will invest any part of the Trust Fund which is not presently required for pursuit of the Objects in accordance with investment policies and guidelines set by the Trustees from time to time and section 30 of the Act shall not apply in this regard.

11. POWERS AND DISCRETIONS OF TRUSTEES

- 11.1 In addition to the powers, authorities and discretions vested in the Trustees by law or by this Deed, but subject to any specific or general prohibitions or restrictions on investment or trustee powers contained in this Deed, the Trustees in giving effect to the Objects in their discretion may at all times and from time to time exercise the fullest possible powers and authorities as if they were the beneficial owners of the Trust Fund. However:
- (a) this general power does not authorise the Trustees to do anything which would breach the express or implied terms of this deed or which may otherwise prejudice the charitable nature of the Objects; and
 - (b) all the Trustees' powers, authorities and discretions shall be subject to any direction to the contrary in any instrument evidencing or conferring a gift accepted by the Trustees, provided that such direction is not inconsistent with the charitable nature of the Trust.
- 11.2 Without prejudice to the generality of clause 11.1, the Trustees have the powers set out in Schedule 2 and may exercise them either alone or with any other person(s).
- 11.3 All powers, authorities and discretions that the Trustees have, including the powers in Schedule 2, may be exercised by the Trustees subject to any specific or general prohibitions or restrictions on investment or trustee powers contained in this Deed, in their absolute discretion and from time to time and on such terms and conditions and in such manner and by such means as they think fit.

12. PECUNIARY PROFIT AND BENEFITS AND ADVANTAGES

- 12.1 No private pecuniary profit shall be made by any person from the Trust, except that (but subject to clause 12.3):

- (a) the Trustees may receive full reimbursement out of the assets of the Trust for all costs, charges and expenses properly incurred by the Trustees in connection with the affairs of the Trust;
- (b) the Trust may pay reasonable and proper remuneration to any Trustee or officer of the Trust (whether a Trustee or not) in return for services actually rendered to the Trust and/or for carrying out their role as Trustee;
- (c) any Trustee is to be paid all usual professional, business or trade charges for services rendered, time expended and all acts done that Trustee or by any firm or entity of which that Trustee is a member, employee or associate in connection with the affairs of the Trust; and
- (d) any Trustee may retain any remuneration properly payable to that Trustee by any company or undertaking with which the Trust may be in any way concerned or involved for which that Trustee has acted in any capacity whatever, notwithstanding that the Trustee's connection with that company or undertaking is in any way attributable to that Trustee's connection with the Trust.

12.2 The Trustees, in determining all reimbursements, remuneration and charges payable in terms of this clause, must ensure that the restrictions imposed by clauses 12.1, 12.3, 14.2, 14.3 and rule 10 of Schedule 4 are strictly observed.

12.3 Notwithstanding anything to the contrary in this Deed, no benefit, or advantage, (regardless of whether it is convertible into money) or income of any of the kinds referred to in sections CW 42(1)(c) or CW 42(8) of the Income Tax Act 2007, shall be paid, afforded to, received, gained, achieved or derived by any person ("the Determining Person") who can, in any way and whether directly or indirectly, determine or materially influence the determination of the nature or the amount of the benefit, advantage, or income referred to in this clause 12.3 or the circumstances in which it is or is to be received, gained, achieved, afforded or derived by the Determining Person.

12.4 Clause 12.3 does not apply if and to the extent that there is an exclusion from the application of section CW 42(8) of the Income Tax Act 2007 by any law of New Zealand (whether that law is the Income Tax Act 2007 or otherwise).

12.5 A person who, in the course of and as part of the carrying on of his or her business of a professional public practice, renders professional services to the Trust or to any company or person by which any business of the Trust is carried on, shall not, by reason only of his or her rendering professional services to the Trust or to any company or person by which any business of the Trust is carried on, be in breach of clause 12.3.

13. TRUSTEES

13.1 The provisions of this Deed dealing with the number, appointment, payment and cessation of office of the Trustees are set out in Schedule 3.

13.2 The provisions relating to meetings of the Trustees are set out in Schedule 4.

14. INTERESTED TRUSTEES

14.1 Subject to clause 14.5, a Trustee will be interested in a transaction to which the Trust is a party if the Trustee:

- (a) is a party to, or will derive a material financial benefit from the transaction;
- (b) has a material financial interest in another party to the transaction;
- (c) is a director, officer or trustee of another party to, or person who will or may derive a material financial benefit from the transaction, not being a party that is wholly owned by the Trust;
- (d) is the parent, child or spouse, civil union partner, or de facto partner of another party to, or person who will or may, derive a material financial benefit from the transaction; or
- (e) is otherwise directly or indirectly materially interested in the transaction.

14.2 As soon as a Trustee becomes aware of the fact that they are interested in a transaction or proposed transaction with the Trust, they must disclose to their co-trustees at a meeting of the Trustees:

- (a) if the monetary value of the Trustee's interest is able to be quantified, the nature and monetary value of that interest; or
- (b) if the monetary value of the Trustee's interest cannot be quantified, the nature and extent of that interest.

14.3 A disclosure of interest by a Trustee must be recorded in the register of interests of the Trust.

14.4 If any question shall arise at any meeting as to whether a trustee is interested in a transaction to which the Trust is a party and such question is not resolved by the Trustee voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and his or her ruling in relation to any such Trustee shall be final and conclusive except in the case where the nature or extent of the interests of the Trustee concerned have not been fairly disclosed.

14.5 Without limiting the generality of clauses 14.1 and 14.4, no person shall be deemed for the purposes of this clause 11 to have a disqualifying interest in respect of any matter concerning the Trust merely by reason of that person being:

- (a) A ratepayer in either or both of the Regions;
- (b) An actual or potential user of water under the Scheme; or
- (c) An owner of land within the areas of land intended to be served by the Scheme.

14.6 Subject to clauses 12, 14.2, 14.3 and rule 10 in the Schedule 4, each Trustee may act as a Trustee and still contract or otherwise deal with the Trustees in their personal capacity or in any other capacity as if they had not been appointed as a Trustee.

15. EXECUTION OF DOCUMENTS

- 15.1 Whenever the Trustees need to sign or attest any deed, agreement or contract pursuant to a resolution of the Trustees, it will be sufficient for that deed, agreement or contract to be signed or attested by any 2 of the Trustees.

16. LIMITATION OF LIABILITY AND INDEMNITY

- 16.1 No Trustee shall be liable for any loss not attributable to their own dishonesty, wilful misconduct or gross negligence.
- 16.2 No Trustee is bound to take any proceedings against a co-trustee for any breach or alleged breach of trust by the co-trustee.
- 16.3 Every Trustee is fully indemnified by and out of the Trust Fund for any loss or liability which they incur in the carrying out or omission of any function, duty or power of the Trustees under this Deed and in respect of any outlay or expenses incurred by them in the management and administration of the Trust unless any such loss or liability constitutes dishonesty, wilful misconduct or gross negligence on the part of that Trustee. The indemnity given by this clause extends to any loss or liability which the Trustees after having ceased to act as such incur through the carrying out of any function, duty or power of the Trustees, whether the carrying out took place before, during or after the period in which a person was a Trustee.

17. ACCOUNTS, AUDIT AND REPORTING

- 17.1 The Trustees must ensure that proper financial records are kept for the Trust.
- 17.2 The financial records must present the Trust's receipts, credits, payments, assets, liabilities and all other matters necessary or appropriate in a way that shows the true state and condition of the financial affairs of the Trust. The Trustees will determine the balance date of the Trust.
- 17.3 The Trustees will have the annual accounts of the Trust audited.
- 17.4 The financial records and annual accounts will be kept at the Trustees' office or at such other place as the Trustees think fit.
- 17.5 The Trustees will report on the affairs of the Trust to the Settlers every six months, in such form as may from time to time be agreed between the Trustees and the Settlers. In addition, the Trust will provide an annual report which (in addition to what is required under generally accepted accounting principles) must disclose matters required by law to be publicly disclosed by entities similar to the Trust.
- 17.6 The financial records and annual accounts must always be available to be inspected by the Trustees.
- 17.7 The Trustees will make a summary of the annual report available on the Trust's website.

18. CUSTODY AND USE OF COMMON SEAL

18.1 The common seal of the Trust will be kept in the custody of a person nominated by the Trustees and will be used only by authority of a resolution of the Trustees. Every instrument to which the seal is affixed will be signed by the chairperson and one other Trustee.

19. AMENDMENT OF TRUST DEED

19.1 Subject to any relevant legislation for the time being in force and only with the prior written consent of the Settlers, the Trustees have the power by deed:

- (a) to amend, revoke or add to any of the provisions of this Deed unless to do so would amend, revoke or add to the Objects or would enable a payment or application of any part of the Trust Fund in a manner that is inconsistent with the Objects; and
- (b) notwithstanding paragraph (a) of this clause, to amend, revoke or add to this Deed including the Objects if and to the extent that it is necessary to do so for the Trust to qualify as a charitable trust under the Income Tax Act 2007.

19.2 The Trustees shall not at any time amend or revoke clause 2.7 of Schedule 3 of this Deed without the written consent of Te Runanga o Ngai Tahu.

20. WINDING UP

20.1 Subject to written approval from the Settlers, the Trustees may at any time wind up the Trust.

20.2 On the winding up, the Trustees will pay or apply such of the Trust Fund as then remains towards the furtherance of the Objects, or for exclusively charitable purposes.

21. GOVERNING LAW

21.1 The Trust will be governed by, and this Deed will be construed in accordance with, the laws of New Zealand.

22. CONSENT OF SETTLORS

22.1 The Settlers hereby consent under clause 18.1 of the Original Declaration of Trust to the amendments thereof which are contained in this Deed of Declaration of Trust.

23. ACKNOWLEDGEMENT

23.1 The following default duties in the Trusts Act are modified to the extent stated in the clause(s) listed and the Settlers are aware of the meaning and effect of these modifications and exclusions:

Default Duty in Trusts Act	Modification in this deed
Section 29 – General duty of care	Clause 9 – Trustees' General Duty of Care Clause 10 – Investment of Trust Fund Schedule 2, clause 2.1(a) – Powers of Trustees

Section 30 – Duty to invest prudently	Clause 10 – Investment of Trust Fund Schedule 2, clause 2.1(a) – Powers of Trustees
Section 31 – Duty not to exercise power for own benefit	Clause 12.1 – Pecuniary Profit and Benefits and Advantages Clause 14.6 – Interested Trustees
Section 34 – Duty to avoid conflict of interest	Clause 12.1 – Pecuniary Profit and Benefits and Advantages Clause 14.6 – Interested Trustees
Section 36 – Duty not to profit	Clause 12.1 – Pecuniary Profit and Benefits and Advantages Clause 14.6 – Interested Trustees
Section 37 – Duty to act for no reward	Clause 12.1 – Pecuniary Profit and Benefits and Advantages Clause 14.6 – Interested Trustees

23.2 The following default duties in the Trusts Act are excluded from the provisions of this deed and shall not apply and the Settlers are aware of the meaning and effects of these exclusions:

- (a) Duty of impartiality (section 35 of the Trusts Act); and
- (b) Duty to act unanimously (section 38 of the Trusts Act).

23.3 The Settlers are also aware of the meaning and effect of clause 16 (Limitation of Liability and Indemnity) which limits the Trustees' liability and/or provide an indemnity in their favor.

SCHEDULE 1

The Trustees

Douglas James Catherwood of Hororata, Central Plains Farmer

Richard Wayne Davison of Culverden, North Canterbury Farmer and Valuer

David Anthony Robert Haslam of Norwood, Company Director

Denis John O'Rourke of Christchurch, Christchurch, Member of Parliament

Clare Marie Williams of Waikuku Beach representative of Te Runung O Ngai Tahu

Vivian Leslie Smart of North Canterbury representative of Te Rununga O Ngai Tahu

SCHEDULE 2

Powers of Trustees

1. Interpretation

1.1 In this schedule:

- (a) Expressions or terms have the meanings given by the Trust Deed, unless the context requires otherwise;
- (b) Unless the context requires otherwise, references to clauses are to clauses of this schedule.

2. Powers of Trustees

2.1 The Trustees have power in accordance with clause 11 of the Trust Deed:

- (a) To borrow and to give guarantees or charges over the Trust Fund;
- (b) To apply for and hold the resource consents necessary for the Scheme and which are to be made available to the Scheme;
- (c) To provide grants and/or loans to enable studies to be undertaken in respect of water issues affecting the Regions;
- (d) To acquire, develop and own infrastructural assets related to the Scheme;
- (e) To co-operate with other entities including neighbouring water groups where the Scheme is likely to benefit;
- (f) To invest the Trust Fund in accordance with policies determined by the Trustees from time to time;
- (g) To accumulate income;
- (h) To enter into contracts for the provision of services to achieve the Objects;
- (i) To open and maintain a bank account and to decide who will be the signatories to that account;
- (j) To advertise the Trust and the Objects;
- (k) To obtain incorporation or registration of the Trust in accordance with any law from time to time in force relating to charitable trusts;
- (l) Subject to sections 67 to 69 of the Act, to appoint or engage or employ any person or company (including the Trustees) for any period:
 - (i) as an expert or professional person or entity to advise on or carry out any of the trusts and powers authorised by this Deed; or

- (ii) as a manager or agent for or on behalf of the Trustees in all or any matters relating to the management and the control of the Trust; or
- (iii) as an employee of the Trustees in all or any matters relating to the Trust;
- (m) To act upon any opinion or advice or information obtained from a person or entity referred to in paragraph 2.1(l)(i) of this clause;
- (n) To determine all questions and matters of doubt which may arise in the course of the management, administration, investment, realisation, distribution, liquidation, partition, resettlement or winding up of the Trust Fund or the Trust, or to apply for directions under section 133 of the Act;
- (o) Generally to do all such other lawful acts and things that are incidental or conducive to the attainment of the Objects; and
- (p) Subject to clauses 12.1 and 12.3 of the Trust Deed, to pay from the Trust Fund any costs or expenses incurred in the course of the Trustees discharging, carrying out or exercising any of their duties and powers.

SCHEDULE 3

Rules governing the number, appointment, payment and cessation of office of the Trustees

1. Interpretation

1.1 In this schedule:

- (a) Expressions or terms have the meanings given by the Trust Deed, unless the context requires otherwise;
- (b) Unless the context requires otherwise, references to clauses are to clauses of this schedule.

2. Number of Trustees

2.1 , There shall be up to 12 Trustees.

2.2 Subject to clause 2.7, the Settlers will jointly:

- (a) Have the right to appoint the Trustees for such term of office (not exceeding three years, as provided for in clause 3) as they see fit;
- (b) Have the right to remove the Trustees as they see fit.

2.3 In jointly exercising their power to appoint and remove Trustees, the Settlers will be mindful of the need to provide balanced representation in the Trust, including appropriate representation for the following interest groups:

- (a) Tangata whenua;
- (b) Environment protection agencies;
- (c) Farmer interest groups.

2.4 In exercising such power the Settlers will also endeavour to ensure that the Trustees include persons possessing the generic and specific competencies previously identified by the Settlers from time to time as being desirable to be possessed by the Trustees.

2.5 Notwithstanding the foregoing powers of the Settlers, the Trustees may themselves co-opt from time to time persons to serve as additional Trustees where there are vacancies but (for the avoidance of doubt) such persons so co-opted will be subject to the removal power of the Settlers.

2.6 The Trustees will have the power to appoint their Chairperson and to determine the period for which he or she is to hold office, provided that the term of appointment of the first Chairperson will be a period of one year.

2.7 Notwithstanding the foregoing powers of the Settlers, Te Runanga o Ngai Tahu shall be entitled to appoint a total of three Trustees of the Trust from time to time.

3. Term of Appointment

- 3.1 The term of each Trustee is up to 3 years from the date of appointment. Trustees may serve more than one term.
- 3.2 At the first meeting of the Trustees, every Trustee shall draw by ballot the length of his or her term of appointment, being either a 1, 2 or 3 year term, the intent being that after the ballot process has been completed the Trustees will be divided equally between 1, 2 and 3 year terms, with membership terms ending as at 30 June in each year (the first term ending on 30 June 2004). Trustees whose terms have expired will be eligible for re-appointment.

4. Cessation of Trusteeship

- 4.1 A person shall cease to be a Trustee if the Trustee:
- (a) Resigns or retires by written notice to the other Trustees;
 - (b) Dies;
 - (c) Refuses or is unable to act in his or her capacity as a Trustee;
 - (d) Completes their term of office;
 - (e) Is a bankrupt who has not obtained a final order of discharge or whose order of discharge has been suspended not yet expired, or is subject to a condition not yet fulfilled, or to any order under section 111 of the Insolvency Act 1967;
 - (f) Is a person who has been convicted of any offence punishable by a term of imprisonment of 2 or more years;
 - (g) Is a person who is disqualified from being a director of a company under section 382 of the Companies Act 1993;
 - (h) Is a person in respect of whom an order has been made under section 383 of the Companies Act 1993;
 - (i) Is a person who is mentally disordered within the meaning of the Mental Health (Compulsory Assessment and Treatment) Act 1992; and
 - (j) Is a person who is subject to a property order made under section 30 or section 31 of the Protection of Personal and Property Rights Act 1988.

5. Validity of Proceedings

- 5.1 Where, for any reason, a Trustee is not properly appointed, re-appointed or is disqualified from holding office, anything done by that Trustee (or by a meeting at which that Trustee was present as a Trustee or committee member) before discovery of the irregularity, shall be as valid as if that Trustee had been duly appointed, re-appointed or had not been disqualified (as the case may be).

SCHEDULE 4

Rules governing the meetings of Trustees

1. Interpretation

1.1 In this schedule:

- (a) Expressions or terms have the meanings given by the Trust Deed, unless the context requires otherwise;
- (b) Unless the context requires otherwise, references to clauses are to clauses of this schedule.

2. Quorum

2.1 A quorum for meetings of Trustees shall be a majority in number of the Trustees.

3. Time of meetings

3.1 Subject to these Rules and to this Trust Deed, the Trustees shall meet and regulate their meetings as they think fit.

4. Chairperson

4.1 The chairperson of the Trustees will be appointed and may be removed by the Trustees.

4.2 The chairperson will have a casting vote.

5. Notice of meetings

5.1 The chairperson or any 3 Trustees may at any time summon a meeting. 7 days' notice of any meeting (stating the place, day and time of the meeting) shall be communicated to each of the other Trustees unless all of the Trustees agree to shorten or waive the notice period.

5.2 No notice will be necessary for the resumption of adjourned meetings except to Trustees not present at the meeting adjourned.

6. Decisions

6.1 All questions and matters arising at meetings of Trustees shall be decided by majority vote.

6.2 A resolution in writing signed by all of the Trustees shall be as effective as if it had been passed at a meeting. Such a resolution may consist of several like documents each signed by one or more of the Trustees and may be sent by facsimile.

6.3 Any resolution of the Trustees may be rescinded or varied from time to time by the Trustees.

7. Audible communication

7.1 The contemporaneous linking together by telephone or any other means of audible communication of enough of the Trustees to constitute a quorum shall be deemed to constitute a meeting of the Trustees so long as the following conditions are met:

- (a) Each of the Trustees must have received notice of the meeting (or have waived notice) under clause 5.1;
- (b) Each of the Trustees taking part in the meeting must be able to hear each of the other Trustees taking part at the commencement of the meeting and (subject to the terms on which a Trustee may leave the meeting under clause (d) below) throughout the meeting;
- (c) At the commencement of the meeting each of the Trustee must acknowledge his or her presence to all the other Trustees taking part in the meeting;
- (d) A Trustee may not leave the meeting (whether by departing or disconnecting his or her telephone or other means of communication) unless he or she has previously obtained the express consent of the chairperson of the meeting. A Trustee shall be conclusively presumed to have been present and to have formed part of the quorum at all times during the meeting unless he or she has previously obtained the express consent of the chairperson to leave the meeting; and
- (e) A minute of the proceedings of the meeting shall be sufficient evidence of those proceedings, and of the observance of all necessary formalities, if certified as a correct minute by the chairperson of that meeting and by the secretary or person acting as a secretary.

8. Minutes

- 8.1 The Trustees are to keep minutes of their meetings and of all of their decisions. The minutes shall be kept in a minute book maintained by a person appointed by the Trustees.
- 8.2 Any minute of a meeting of the Trustees (including their decisions) purporting to be signed by the chairperson of the meeting or of the next meeting shall be prima facie evidence of the matters referred to in such minute having been authorised done or passed by the Trustees. The decisions recorded in the minutes will be read in conjunction with the Trust Deed and will be binding on all persons interested in the Trust.

9. Adjournment

- 9.1 If a quorum is not present within 20 minutes after the time appointed for any meeting, the chairperson of the meeting may adjourn the meeting to another time.
- 9.2 Any meeting may be adjourned if the Trustees present so resolve.

10. Interested Trustees and Conflict Transactions

- 10.1 An interested Trustee may not take part in deliberations, vote or attend meetings in relation to any transaction with the Trust where that Trustee is interested, but may:
 - (a) Sign a document relating to the transaction on behalf of the Trust; and
 - (b) Do anything else as a Trustee in relation to the transaction, as if they were not interested in the transaction.