

**DATED**

**22 February 2012**

**TAUHARA GEOTHERMAL CHARITABLE  
TRUST**

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**CHARITABLE TRUST DEED**

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## TAUHARA GEOTHERMAL CHARITABLE TRUST

**DATE:** 22 February 2012

### TRUSTEES

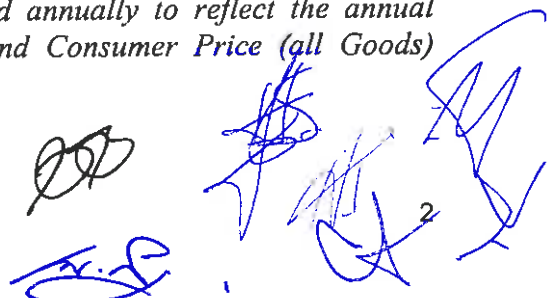
- 1 **THOSE PERSONS WHOSE NAMES AND DESCRIPTIONS ARE SPECIFIED IN PART I OF SCHEDULE 1** (together called "the Trustees")

### BACKGROUND

- A. In 2010 Contact Energy Limited ("**Contact**") lodged an application with the Environmental Protection Authority for the construction and ongoing operation of the Tauhara Stage II geothermal power plant.
- B. The Tauhara Whanau Whanui Working Party was formed and mandated by a hui of Nga Hapu O Tauhara to engage with Contact and seek that cultural interests were appropriately considered.
- C. The Tauhara Whanau Whanui Working Party negotiated an agreement with Contact that would put in place a cultural mitigation package to offset cultural effects of the proposed development. This agreement was presented to a hui of Nga Hapu O Tauhara and ratified on 2 October, 2010.
- D. In December 2010 Contact was granted a range of resource consents for the Tauhara Stage II geothermal power plant ("**Consents**"). The cultural mitigation package was included in the Consents as conditions of consent. These conditions are reproduced below:

*"2.11 Within six months of the exercise of the Tauhara II resource consents (120544 and 120545), the consent holder (Contact) shall settle and provide funding for a Tauhara Charitable Trust as follows:*

- (a) The Trust will be established with five Trustees appointed through a hui of Tauhara tangata whenua and two Trustees representing the consent holder;*
- (b) The consent holder shall provide annual funding to the Trust of \$150,000 from the date of exercise of the Tauhara II consents until the end of the Tauhara II consent period, with provision that the sum will be adjusted annually to reflect the annual movement in the New Zealand Consumer Price (all Goods)*



*Index published by Statistics New Zealand to the end of the latest quarter before the date of the disbursement of the funds;*

- (c) The consent holder shall provide funding to the Trust for two education scholarships of \$3,000 each to support Tauhara mana whenua in tertiary study in the areas of natural resource management, science or engineering. The scholarship amount shall escalate by \$500 per annum at the commencement of each fifth anniversary after the date the Tauhara II consents were exercised and shall last for the duration of those consents;*
- (d) The administration and legal costs associated with establishing and servicing the Trust shall be paid for by the consent holder, in addition to the annual funding and education scholarship funding provided to the Trust; and*
- (e) The Trust Deed shall specify that the Trust funds are to be utilised for mitigation projects in the Tauhara area (south and east of the Waikato River) in recognition that a parallel Mitigation Trust has been established for the Wairakei area."*

E. The Tauhara II resource consents (120544 and 120545) were exercised on 1 July 2011 ("**Consent Exercise Date**").

## **NOW THIS TRUST DEED RECORDS:**

### **1 DEFINITIONS AND CONSTRUCTION**

#### **1.1 Defined terms**

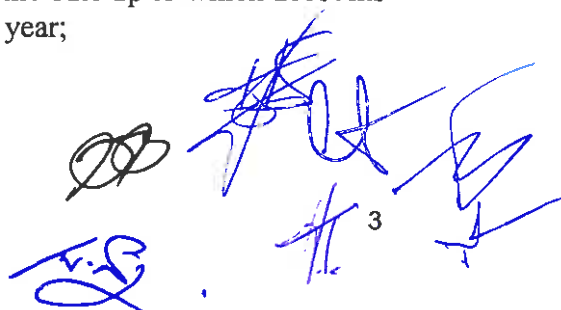
In this Trust Deed, unless the context requires otherwise:

"Administrative Cost" means any administrative cost that is associated with establishing and servicing the Trust which are payable by Contact and detailed in the current Tauhara Geothermal Charitable Trust Funding Agreement;

"AGM" means Annual General Meeting;

"Balance Date" means 30 June or any other date which the Trustees adopt by resolution as the date up to which accounts are to be made in each year;

"Consent Exercise Date" means 1 July 2011;



"Consents"	means the Tauhara II resource consents numbered 120544 and 120545 that were exercised on 1 July 2011;
"Cost"	means in addition to any Administrative costs any professional costs ie accounting, legal and other contract costs associated with establishing and servicing the Trust, which are payable by Contact and detailed in the current Tauhara Geothermal Charitable Trust Funding Agreement;
"Contact"	means Contact Energy Limited or, in the event that Contact Energy Limited assigns the Consents, the assignee to whom the Consents have been assigned;
"Designated Gift"	means a gift which is subject to a trust for a specific purpose that comes within the purposes of the Trust;
"Funding Agreement"	means the current Tauhara Geothermal Charitable Trust Funding Agreement signed by the parties contemporaneously with this Trust Deed and commencing upon registration of this Trust as a charitable entity under the Charities Act 2005;
"Hui-a-Hapū" or "Hui"	means a hui called with Nga Hapu O Tauhara called in accordance with Part IV of the Schedule;
"Income Year"	means any year or other accounting period ending on a Balance Date;
"Teleconference Meeting"	for the purposes of rule 19 in the Schedule means a meeting where the participants are contemporaneously linked by telephone or some other means of instant audio or audio and visual communication;
"Trust"	means the charitable trust created by this Trust Deed;
"Trust Deed"	means this trust deed;
"Working Day"	means a day of the week other than Saturday or Sunday on which registered banks generally are open for normal business in Wellington and Auckland.

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## 1.2 Construction

In the construction of this Trust Deed, unless the context requires otherwise:

- a) a reference to "Trustees" is a reference to the trustees for the time being of the Trust Fund, whether original, additional or substituted;
- b) a reference to an enactment is a reference to that enactment as amended, or to any enactment that has been substituted for that enactment;
- c) a reference to the schedule is a reference to the schedule forming part of this Trust Deed;
- d) headings appear as a matter of convenience and shall not affect the construction of this Trust Deed;
- e) if there is a conflict between the rules and the other provisions of this Trust Deed the other provisions of this Trust Deed shall prevail.

## 2 CREATION OF THE TRUST

### 2.1 Declaration of trust

The Trustees hold the sum of ONE HUNDRED DOLLARS (\$100) and all further money, property or other assets that may from time to time be added to the Trust ("**the Trust Fund**") on the trusts and with the powers expressed or implied in this Trust Deed.

### 2.2 Name of trust

The trust created by this Trust Deed is to be known as "**The Tauhara Geothermal Charitable Trust**" or by such other name as the Trustees may determine by resolution from time to time.

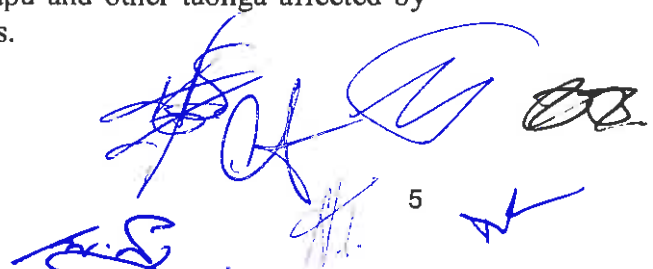
### 2.3 Incorporation

The Trustees will apply for incorporation under the Charitable Trusts Act 1957.

## 3 CHARITABLE PURPOSES OF THE TRUST

### 3.1 Primary Purposes

- a) To provide grants for the advancement of education of Nga Hapu O Tauhara. This includes advancement of education in the area of natural resource management, science and engineering; and
- b) To provide other community grants that are charitable for the benefit of Nga Hapu o Tauhara to maintain their relationship with their ancestral lands, water, sites, waahi tapu and other taonga and to maintain their ancestral connection to their waahi tapu and other taonga affected by the activities contained in the Consents.



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3.2 Ancillary purpose

The ancillary purpose of the Trust is to foster a long term enduring relationship between Nga Hapu O Tauhara and Contact.

3.3 Achievement of purposes:

To assist in achieving the purposes the Trustees may:

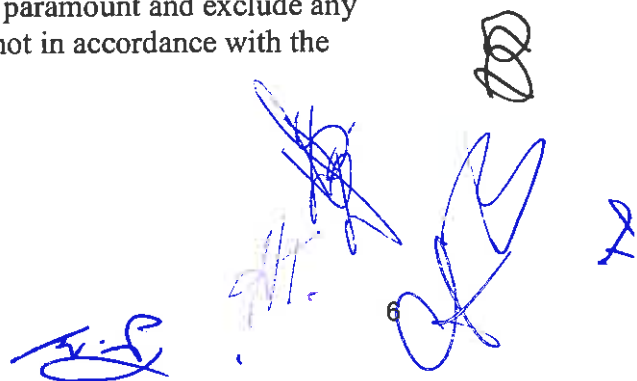
- a) Investigate, fund and develop specific mitigation projects in the Tauhara area which further the Trust's purposes ("mitigation projects");
- b) Investigate, fund and develop other projects in the Tauhara area which further the Trust's purposes ("other projects");
- c) The Trustees may also investigate, fund and develop specific mitigation projects in the Tauhara area which further the Trust's purposes;
- d) Monitor the completion and the effectiveness of mitigation projects and other projects, including obtaining monitoring reports on key indicators;
- e) Establish any education scholarship/grant to further the Trust's purposes;
- f) Take all other reasonable actions necessary for the Trust to:
  - i. Comply with and meet its purposes; and
  - ii. Operate in an efficient and effective manner.

3.4 All the purposes of the Trust are to be carried out within New Zealand.

3.5 The trustees shall be empowered to carry out any one or more of the purposes of the Trust independently of any other purpose.

3.6 If because of any alteration in the law relating to income tax it is necessary to restrict the purposes of the Trust in order to preserve the right to exemption from income tax of the kind referred to in sections CW 41 and CW 42 of the Income Tax Act 2007, the purposes shall be deemed to be restricted to the extent necessary.

3.7 Notwithstanding anything else in this Trust Deed, no power or reservation expressed or implied in this Trust Deed shall authorise the Trustees to do or suffer any act that does not further the charitable purposes for which the Trust is established. The charitable purposes shall be paramount and exclude any act or omission that is or may be deemed to be not in accordance with the charitable purposes.



#### **4 APPLICATION OF INCOME AND CAPITAL**

##### **4.1 Power to use, pay or apply income and capital**

The Trustees shall stand possessed of the Trust Fund UPON TRUST to use, pay or apply so much of the income, including any accumulations of income, and capital of the Trust Fund for such one or more of the purposes of the Trust as the Trustees think fit. If the Trustees provide for more than one purpose they need not treat each purpose equally.

#### **5 RECEIPTS**

##### **5.1 Receipt of gifts**

The Trustees may receive solicited and unsolicited gifts of any real or personal property for the purposes of the Trust or for any specific purpose that comes within the purposes of the Trust. The Trustees may decline to accept any gift.

5.2 For the avoidance of doubt the funding provided by Contact shall not be deemed to be or cause to be a separate specific trust for the purposes of this clause 5.

##### **5.3 Separate specific trusts**

- a) If the Trustees accept a Designated Gift they must keep that Designated Gift and any income derived from it separate from the general assets of the Trust Fund, and administer it as a separate specific trust in terms of the trust under which it was given.
- b) The Trustees shall not use the assets of any separate specific trust to make good any deficit, loss, damage or breach of trust relating to any other separate specific trust. Similarly, the Trustees shall not use the general assets of the Trust Fund for such purposes.
- c) Each separate specific trust shall bear its own administration expenses plus a fair proportion (determined by the Trustees) of the administration expenses applicable to the general purposes of the Trust.

##### **5.4 Receipts for payments**

The receipt of the secretary, treasurer or other person or persons appearing to the Trustees to be authorised to give receipts on behalf of the recipient of any payment made under the terms of this Trust Deed, shall be a complete discharge to the Trustees for that payment.

#### **6 REGISTRATION**

The Trustees will apply for registration as a charitable entity under the Charities Act 2005, as soon as practicable.



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## 7 RULES

The rules (with any valid alterations) set out in the schedule which govern the appointment, retirement and proceedings of the Trustees subject to the provisions of this Trust Deed, will bind the Trustees.

## 8 GENERAL PROVISIONS

### 8.1 Appointment of Trustees

- a) There shall be 7 Trustees.
- b) The persons named in Part I of the Schedule as Trustees are the first trustees of the Trust.
- c) In the event of the office of Trustee becoming vacant for any reason, new Trustees shall be appointed as follows:
  - i. Five (5) Trustees appointed by Nga Hapu O Tauhara
  - ii. Two (2) Trustees may be appointed by Contact.
- d) The terms and process of appointment of trustees shall be undertaken in accordance with Schedule 1 of this Trust Deed.

### 8.2 Alterations to Trust Deed

- a) This Trust Deed may be altered only by unanimous resolution of the Trustees at a duly convened and conducted meeting of the Trustees.
- b) If unanimous resolution cannot be reached, this Trust Deed can only be altered if a resolution of at least two thirds of the Trustees at a duly convened and conducted meeting of the Trustees is passed and the resolution is ratified at a properly notified Hui of Nga Hapu O Tauhara and ratified by Contact.
- c) The secretary of the Trust shall give each Trustee written notice of any proposed resolution for the alteration of this Trust Deed at least 28 days before the date of the meeting at which it is to be considered.
- d) Notwithstanding anything else in this Trust Deed no alterations or additions to this Trust Deed shall be effected if that alteration or addition would result in the Trust losing its exemption from income tax under section CW 41 and/or section CW 42 of the Income Tax Act 2007.

### 8.3 Advice of counsel

If the Trustees are in doubt over any matter relating to the administration of the Trust Fund, or over the exercise of any power vested in them, they may obtain and act upon the opinion of a barrister or solicitor of the High Court of New Zealand of at least 7 years' standing. And they may act upon that opinion



without being liable to any person who may claim to be beneficially interested in respect of anything done in accordance with that opinion. This right to obtain and act upon a barrister's or solicitor's opinion, however, will not restrict the Trustees' right to apply to the High Court of New Zealand for directions.

8.4 Declaration of conflicts of interest

A Trustee whose interests in any private capacity or as a shareholder in any company or whose duties as trustee of any other trust or as directors or officers of any company conflict with his or her duties as Trustee in relation to entering or any contract or the exercise of any other power conferred on the Trustees by this Trust Deed must declare the nature of his or her interest at a meeting of the Trustees.

8.5 For the avoidance of doubt being a member of Nga Hapu O Tauhara shall not be in and of itself a conflict for the purposes of clauses 8.4 and 8.5.

8.6 Voting

A Trustee, having declared his or her interest in accordance with clause 8.4 can be counted in the quorum present at the meeting and may witness the affixing of the common seal to any contract or agreement but can not vote on the matter in which he or she is interested.

8.7 Liability of Trustees

A Trustee shall be liable only for any loss attributable to his or her dishonesty or to his or her wilful commission or omission of an act which he or she knows to be a breach of trust. In particular, no Trustee shall be bound to take, or liable for failing to take, any proceedings against a co-Trustee for breach or alleged breach of trust.

8.8 Indemnity

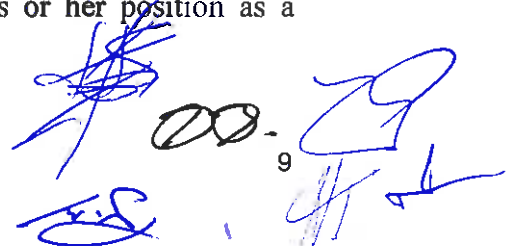
Any Trustee, officer or employee of the Trust shall be indemnified out of the assets of the Trust against any liability which he or she incurs in successfully defending any civil or criminal proceedings issued because of his or her actions in relation to the Trust. If some of the assets of the Trust are held on separate specific trusts then such a Trustee, officer or employee may be indemnified out of those assets to the extent that the Trustees in their discretion think just and equitable.

8.9 The Trust shall hold and Contact shall procure indemnity insurance for the purposes of clause 8.8. The cost of this insurance shall be an Administrative Cost.

8.10 No Private Pecuniary Profit

No private pecuniary profit may be made by any person from the Trust, except that:

- a) any Trustee may receive full reimbursement for expenses properly incurred by him or her in connection with his or her position as a Trustee;



- b) any Trustee may be paid all usual professional, business or trade charges for services rendered, time expended and all acts done by him or her or by any firm or entity of which he or she is a member, employee, or associate in connection with the affairs of the Trust;
- c) any such income paid shall be relative to that which would be paid in an arm's length transaction. The Trustees, in determining all reimbursements, remuneration and charges payable in the terms of this clause, shall ensure that the restrictions imposed by clause 8.11 are strictly observed.

#### 8.11 Recipient Not to Influence Benefits

Notwithstanding anything contained or implied in this deed, any person who is:

- a) a Trustee of the Trust;
- b) a shareholder or director of any company or a member, nominee or appointee of any board, committee, society or body carrying out the Charitable Purposes of the Trust or which is a recipient or proposed recipient of funds from the Trust;
- c) a trustee of any trust which is a shareholder of any company or is a member of any board, committee or society carrying out the charitable purposes of the Trust; or
- d) an associated person (as defined by Section YB of the Income Tax Act 2007) of any such Trustee, trustee, shareholder, director or member;

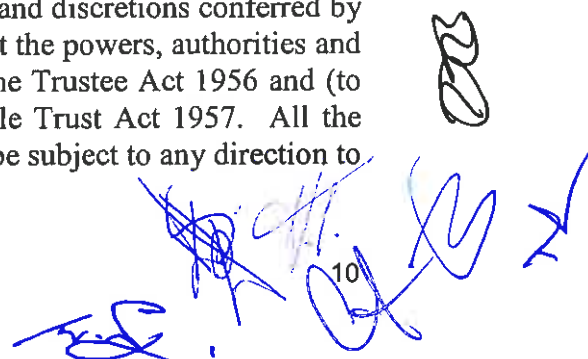
shall not by virtue of that capacity in any way (whether directly or indirectly) determine, or materially influence in any way the determination of the nature of the amount of any benefit or advantage or income or the circumstances in which it is or is to be received, gained, achieved, afforded or derived by that person or the board committee, society or body which they represent as Trustee.

#### 8.12 Professional Account and Influence

A person who in the course of, and as part of the carrying on of, his or her business of a professional public practice shall not, by reason only of his or her rendering professional services to the Trust, or to any company by which any business of the Trust is carried on, be in breach of the terms of clauses 8.10-8.11.

### 9 GENERAL POWERS

The Trustees may exercise the powers, authorities and discretions conferred by this Trust Deed in addition to, and not so as to limit the powers, authorities and discretions conferred upon trustees generally by the Trustee Act 1956 and (to the extent relevant) upon Boards by the Charitable Trust Act 1957. All the Trustees' powers, authorities and discretions shall be subject to any direction to

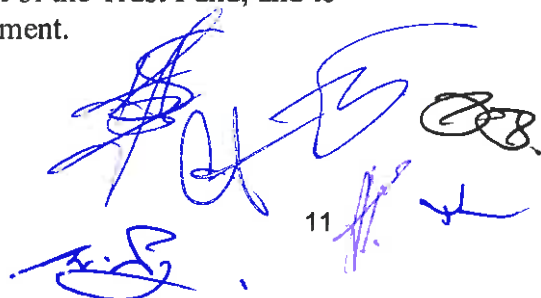


the contrary in any instrument evidencing or conferring gift accepted by the Trustees, whether the gift is a Designated Gift or is generally for the purposes of the Trust Fund.

**10 POWERS**

The Trustees shall have the following powers:

- 10.1 To adopt such means of making known the activities and objectives of the Trust as the Trustees deem expedient.
- 10.2 To raise money for any of the purposes of the Trust by all lawful means, including the conduct of fund-raising campaigns.
- 10.3 To invest the Trust Fund and the income from it only in interest bearing bank accounts in New Zealand.
- 10.4 To retain any investments coming in to the Trustees' hands as part of the Trust Fund for as long as the Trustees think proper, even if they are not investments which could be properly made by a trustee.
- 10.5 To sell any real or personal property forming part of the Trust Fund in the manner and on the terms and conditions the Trustees think fit, including (without limitation) power to allow such part of the purchase price as the Trustees think fit to remain on loan with or without security or to be payable by instalments.
- 10.6 To postpone the sale of any real or personal property forming part of the Trust Fund for as long as the Trustees think fit without being liable for any resultant loss to the Trust Fund.
- 10.7 To let any real and personal property at such rent and on such terms and conditions (including an option to purchase) as the Trustees think fit and to accept surrenders of any leases and tenancies.
- 10.8 To borrow any money at whatever rate of interest and upon whatever other terms and conditions the Trustees may think fit. For this purpose the Trustees may give security for repayment over the entire Trust Fund or any part of it, whether or not any part over which the security is given benefits from the borrowing.
- 10.9 To maintain, manage and improve property which, or any interest in which, forms part of the Trust Fund, in whatever manner the Trustees think fit. For these purposes, the Trustees may pay and apply any of the capital and income of the Trust Fund as they think fit.
- 10.10 To spend any sums of the capital or income of the Trust Fund the Trustees think fit in developing any real property forming part of the Trust Fund, and to dedicate any roads required in respect of the development.

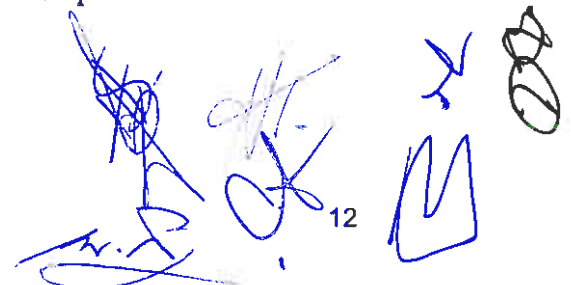


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- 10.11 To make any loans or advances (with or without security) for any of the purposes of the Trust Fund in such manner and on such terms and conditions as the Trustees think fit.
- 10.12 To determine whether any money is to be considered as capital or income, and which expenses should be paid out of capital and out of income respectively, and also to apportion blended funds. Each determination or apportionment shall be final and binding on all persons beneficially interested in the Trust Fund.
- 10.13 To set up and maintain any depreciation or replacement funds for any purpose the Trustees may consider advisable, and in this regard to determine in their discretion:
- a) the amount of income to be credited from time to time to any of those funds;
  - b) whether those funds are income or capital.
- 10.14 To open any bank accounts with any bank in New Zealand in the name of the Trust and to overdraw any such account with or without giving security. The Trustees may also make arrangements with any bank at which the Trust has an account for any two or more Trustees, being at least one Nga Hapu O Tauhara appointed Trustee and one Contact appointed Trustee, to operate any of the Trust's accounts at that bank.
- 10.15 To insure any building or other insurable property to any amount up to its full insurable value, or at the Trustees' option, up to its full replacement value, against destruction or damage by fire, earthquake, fire following earthquake and such other risks as the Trustees think fit. The Trustees may pay the premiums out of income or capital as they think fit.
- 10.16 Without being liable for loss, to waive any debts due to the Trust Fund, either absolutely or on such terms as the Trustees think expedient.
- 10.17 To pay all expenses and outgoings which may be incurred in the operation of the Trust.

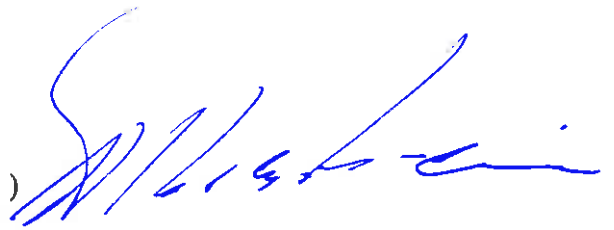
## **11 WINDING UP**

The Trust shall be wound up when the income and capital of the Trust are no longer sufficient to effectively and efficiently achieve the purposes of the Trust. The net assets of the Trust after payment of all liabilities and costs shall not be paid or distributed to the Trustees but shall be disposed of by the Trustees by applying those assets for charitable purposes in New Zealand, as defined in the Income Tax Act 2007. If the Trustees fail to agree how the surplus assets should be applied, then any Trustee may apply to the High Court of New Zealand for a determination as to how the surplus assets should be applied.

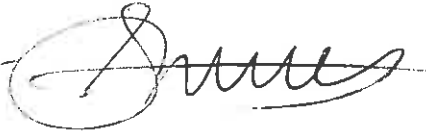


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**Signed** by Harvey Hawira Tawhiwhi Karaitiana )  
in the presence of: )



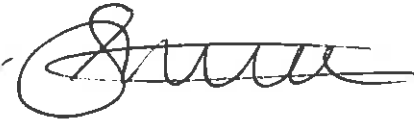
Witness: Simon Bendall  
Occupation: Environmental Planner  
Address: PO Box 149, Napier



**Signed** by Danny Aperahama Loughlin )  
in the presence of: )



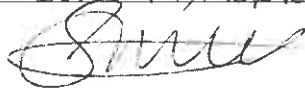
Witness: Simon Bendall  
Occupation: Environmental Planner  
Address: PO Box 149, Napier



**Signed** by Matiu Heperi Northcroft )  
in the presence of: )



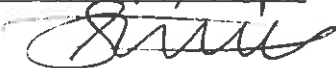
Witness: Simon Bendall  
Occupation: Environmental Planner  
Address: PO Box 149, Napier



**Signed** by Harry James Gilbert Satchell )  
in the presence of: )



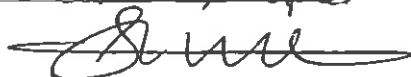
Witness: Simon Bendall  
Occupation: Environmental Planner  
Address: PO Box 149, Napier



**Signed** by Hoeroa Tahau )  
in the presence of: )



Witness: Simon Bendall  
Occupation: Environmental Planner  
Address: PO Box 149, Napier



**Signed** by Craig Antony Stephenson  
in the presence of:

)  
)  
) 

Witness:

M/S

CHRIS GRUING.

Occupation:

SITE SERVICES MANAGER

Address:

WAIRAKEI POWER STATION

TAUPU

**Signed** by Dominic Bede Bowden  
in the presence of:

)  
)  
) 

Witness:

M/S

CHRIS GRUING

Occupation:

SITE SERVICES MANAGER

Address:

WAIRAKEI POWER STATION TAUPU

**SCHEDULE 1: RULES GOVERNING THE APPOINTMENT,  
RETIREMENT AND PROCEEDINGS OF THE TRUSTEES**

**PART I - CONSTITUTION OF THE TRUST**

**1    The Trustees**

The first Trustees shall be:

Harvey Hawira Tawhiwhi Karaitiana

Danny Aperahama Loughlin

Matiu Heperi Northcroft

Harry James Gilbert Satchell

Hoeroa Tahau

Craig Antony Stephenson

Dominic Bede Bowden

**2    Term of office**

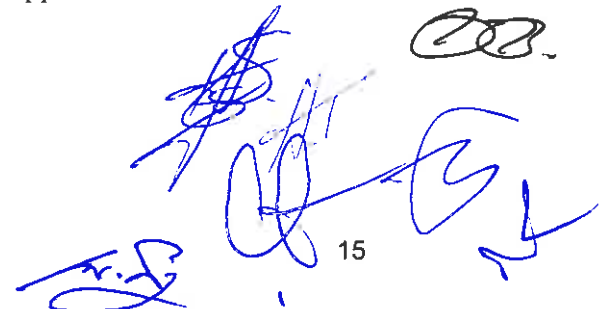
2.1 A Trustee shall hold office:

- (a) in respect of the two (2) Trustees appointed by Contact, for as long as Contact wishes that person to remain a Trustee. Written notice from Contact terminating an appointment shall, when received by the Trust, immediately terminate that person's appointment; and
- (b) in respect of the five (5) Nga Hapu O Tauhara Trustees (after the initial establishment period of 3 years) as elected through an advertised hui for Nga Hapu O Tauhara convened for the purpose of electing Trustees in accordance with the Trust Deed for a period of 3 years from the date of their election.

2.2 A Trustee may at any time retire from office by giving written notice to the Trustees.

**3    Quorum**

At least four (4) of the Trustees shall constitute a quorum at meetings of the Trustees (with at least three Nga Hapu O Tauhara appointed Trustees and one Contact appointed Trustee).

The bottom right of the page contains several handwritten signatures in blue ink. There are approximately six distinct signatures, some appearing to be initials or full names, written over the page number. The signatures are in various styles, including cursive and block letters.



#### 4 Replacement Trustees

- 4.1 In the event of a vacancy of a Nga Hapu O Tauhara Trustee, a replacement Nga Hapu O Tauhara Trustee will be appointed at the next AGM.
- 4.2 If deemed necessary, and as an interim measure, in the event that a vacancy exists out of the number of Nga Hapu O Tauhara Trustees, the incumbent Nga Hapu O Tauhara Trustees may fill a vacancy until the next AGM, with a majority decision.
- 4.3 In the event of a vacancy of a Contact Trustee, a replacement Contact Trustee may be appointed by Contact provided that Contact has given written notice to the Trustees of the Trust of the appointment of the replacement Contact Trustee no less than one month prior to the date on which the replacement Contact Trustee is to take office.

#### 5 Record of changes of Trustees

Upon every appointment, retirement or termination of office of any Trustee the Trustees will ensure that an entry is made in the minute book of the Trust to that effect and that any statutory requirements as to the vesting of the Trust Fund in the Trustees are satisfied.

#### 6 Validity of Proceedings

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

#### 7 Appointment of secretary and others

The Trustees may appoint any person (who shall not be a Trustee) secretary and any other officers or employees that the affairs of the Trust may require on such terms and conditions as they think fit. The Trustees may also remove and replace any persons so appointed.

#### 8 Do all other necessary or desirable things

The Trustees may do all other lawful things that are necessary or desirable in their opinion for the carrying out of the purposes of the Trust.

### **PART II - ADMINISTRATIVE PROVISIONS**

#### 9 Ordinary meetings

The Trustees shall meet as often as they consider desirable for the efficient and proper conduct of the affairs of the Trust, but in any event at least twice in each Income Year. The first meeting of the Trustees shall be held no later than 3 months from the date of the Trust Deed.



10 Special meetings

A special meeting of Trustees may be called at any time by four (4) or more Trustees.

11 Notice of meetings

11.1 At least fourteen days' notice shall be given of every ordinary or special meeting, to each Trustee in such manner as the Trustees from time to time determine.

11.2 Every notice of a meeting shall state the place, day and time of the meeting, and in the case of a notice of a special meeting, shall also state the subject-matter of the meeting.

11.3 Agendas and papers for meetings of the Trustees are to be provided to the Trustees five days before a meeting of the Trustees or at such a time as the Trustees may from time to time determine.

12 Chairperson

The Trustees shall elect a chairperson of their meetings and determine the term of his or her office. The chairperson shall take the chair at all the meetings of the Trustees and will have a deliberative vote but no casting vote. If the chairperson cannot be present, or is not present within 10 minutes of the time appointed for any meeting, the Trustees present shall elect one of their number to be chairperson of the meeting.

13 Adjournment

If a quorum is not present within 30 minutes after the time appointed for any meeting the Trustee or Trustees present may adjourn the meeting. The chairperson may adjourn any meeting on the adoption of a resolution for its adjournment.

14 Invitees and observers

Invitees of the Trustees may attend meetings of the Trustees to present on specific issues as required by the Trustees. Trustees must have at least 48 hours notice of any invitee and the inclusion of an invitee must be included as an agenda item. Observers shall not be able to attend meetings of the Trustees.

15 Committees

The Trustees may, by majority vote, appoint sub-committees, ad hoc committees or executive committees as they may from time to time think expedient for carrying out the purposes of the Trust. Any such committee may co-opt any other person, whether a Trustee or not, to be a member of that committee. Subject to these rules and to any directions that the Trustees might give, each committee may regulate its own procedure.

16 Resolutions

16.1 Except where these rules or the Trust Deed provide otherwise, a resolution is validly made when it is passed by the consensus of those present and

voting at a duly convened and conducted meeting of the Trustees or of a committee (as the case may be). If consensus cannot be reached then a resolution is validly made when it is passed by the majority of those present and voting at a duly convened and conducted meeting of the Trustees or of a committee (as the case may be).

16.2 The Trustees may vary or cancel any resolution at an ordinary or special meeting.

16.3 A written resolution signed by all the Trustees shall be as effective for all purposes as a resolution passed at a properly convened and conducted meeting of the Trustees

17 Minutes

17.1 The Trustees shall keep proper minutes of all decisions taken and business transacted at every meeting of the Trustees.

17.2 Any minute of the proceedings at a meeting which is purported to be signed by the chairperson of that meeting or by the chairperson of the next succeeding meeting shall be evidence of those proceedings.

17.3 Where minutes of the proceedings at a meeting of the Trustees have been made in accordance with the provisions of this rule then, until the contrary is proved, the meeting shall be deemed to have been properly convened and its proceedings to have been properly conducted.

18 Secretarial, treasury and administrative services

Contact shall fund secretarial support and administrative services to the Trust. This includes the taking of minutes at meetings, providing a meeting venue, sending and receiving correspondence on behalf of the trust, administrative support for the Trust's activities. The costs of those services shall be met by Contact in accordance with the Consent and the Funding Agreement.

19 Teleconference Meetings

For the purposes of these rules a Teleconference Meeting between a number of Trustees or committee members who constitute a quorum, together with the secretary or another person acting as a secretary, shall be deemed to constitute a meeting of the Trustees or the committee members (as the case may be). All the provisions in these rules relating to meetings shall apply to Teleconference Meetings so long as the following conditions are met:

19.1 All of the Trustees or committee members (as the case may be) for the time being entitled to receive notice of a meeting shall be entitled to notice of a Teleconference Meeting and to be linked for the purposes of such a meeting. Notice of a Teleconference Meeting may be given on the telephone;

19.2 Throughout the Teleconference Meeting each participant and the secretary or person acting as a secretary must be able to hear each of the other participants taking part;

19.3 At the beginning of the Teleconference Meeting each participant must acknowledge his or her presence for the purpose of that meeting to all the others taking part;

19.4 A participant may not leave the Teleconference Meeting by disconnecting his or her telephone or other means of communication without first obtaining the chairperson's express consent. Accordingly, a participant shall be conclusively presumed to have been present and to have formed part of the quorum at all times during the Teleconference Meeting unless he or she leaves the meeting with the chairperson's express consent;

19.5 A minute of the proceedings at the Teleconference 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.

## 20 Remuneration of Trustees

20.1 Contact shall be responsible for the costs of the Trustees appointed by it in respect of their participation in the Trust.

20.2 Subject to clauses 8.10-8.11, the Nga Hapu O Tauhara appointed Trustees shall receive a daily meeting fee in accordance with the current Tauhara Geothermal Charitable Trust Funding Agreement. Any other business undertaken by Ngā Hapū O Tauhara appointed Trustees outside of the formal Trust meetings (including committee meetings) shall not be remunerated unless expressly authorised by resolution prior to the expenditure being incurred.

## 21 Books of Account

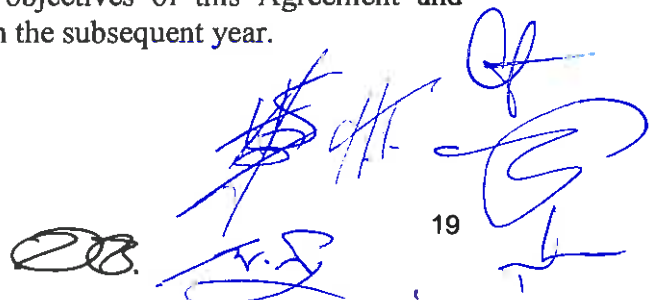
The Trustees shall ensure that books of account are kept that contain true and accurate accounts of the assets, liabilities, receipts and payments of the Trust. These books shall be able to be inspected by any Trustee who may take copies of such accounts.

## 22 Annual report and financial statements

At their first ordinary meeting in each Income Year (other than the first Income Year):

22.1 The Trustees shall present a report dealing with the affairs of the Trust, supported by a statement of the Trust's income and expenditure during the previous Income Year and a statement of its assets and liabilities at the end of that Income Year.

22.2 The Trustees shall present an annual report, which defines progress made in respect of the implementing the objectives of this Agreement and determines the funds to be expended in the subsequent year.



200. *[Handwritten signatures and initials]*

- 22.3 The Chairperson shall present the above reports to an AGM convened for that purpose within 3 months of their approval by the Trust. The Secretary shall, at a minimum, advertise 14 days in advance of the hui in the Taupo Times, Hawke's Bay Today, Rotorua Daily Post, and include the agenda and any proposed resolutions.
- 23 Contact reports  
Any reporting on issues covered by the Trust Deed in Contact's Annual Environmental Report or other shall be first approved by the Trustees.
- 24 Audit  
All Trust records, including but not limited to financial records shall be audited at least once a year by a chartered accountant appointed, and paid, by Contact. The annual audit shall be completed within 6 months after the end of that Income Year. The person appointed as auditor must not be a Trustee.
- 25 Control of funds  
All money received by or on behalf of the Trust shall be paid immediately to the credit of the Trust in an account or accounts with a Bank or Banks selected from time to time by the Trustees. All cheques and other negotiable instruments, withdrawal slips and receipts for money shall be signed, drawn, accepted, endorsed or otherwise executed (as the case may be) on behalf of the Trust by at least two Trustees, one being a Trustee appointed by Ngā Hapū O Tauhara and one being a Trustee appointed by Contact.
- 26 Custody and use of common seal  
If the Trustees become incorporated as a board under the Charitable Trusts Act 1957 they shall have custody of the common seal, and from time to time by resolution, they may adopt any seal they think fit. The common seal must not be affixed to any document unless the Trustees have already authorised its use on that document. When a document is to be sealed on the prior authority of the Trustees the seal must be affixed to the document in the presence of at least two Trustees, one being a Trustee appointed by Ngā Hapū O Tauhara and one being a Trustee appointed by Contact who must sign the document.

### **PART III - ALTERATIONS TO RULES**

- 27 Alterations to Parts I and III  
Parts I and III of these rules may be altered only by a resolution of at least four of the Trustees, with at least one Trustee being appointed by Contact, at a duly convened and constituted meeting of the Trustees.
- 28 Alterations to Part II  
Part II of these rules, except for clause 25, may be altered by a resolution of the Trustees. Amendment to clause 25 requires a resolution of at least 4 of the Trustees, with at least one Trustee being appointed by Contact, at a duly convened and constituted meeting of the Trustees.

29 Restraints on Alteration

A resolution for the alteration of any Part of these rules shall be effective only if-

29.1 each Trustee was given written notice of the proposed resolution at least 28 days before the date of the meeting at which it was to be considered;

29.2 the alteration does not conflict with the provisions of the Trust Deed;

29.3 the alteration does not prejudice the charitable nature of the purposes of the Trust; and

29.4 the alteration would not result in the Trust losing its exemption from income tax under section CW41 and/or CW42 of the Income Tax Act 2007.

**PART IV: WORK PLANS AND FUNDING ARRANGEMENTS**

30 The Trust shall establish a work plan within 6 months of the trust being established. The work plan must be aligned with the purposes of the Trust.

31 The work plan will identify the likely funding priorities, grants and projects to be undertaken over an annual and 5 year period and may include, among other things, the identification of:

- a) the criteria for approving any project;
- b) the resources required for any project;
- c) any conditions for funding should the project be administered by a third party, including monitoring and reporting requirements;
- d) communication processes;
- e) such other matters as the Trustees from time to time determine.

32 In February of every year, the Trustees shall prepare an annual budget for all administrative costs with Contact. Those arrangements shall be set out in the current Tauhara Geothermal Charitable Trust Funding Agreement between the parties.

33 If for any reason the Trustees and Contact cannot agree the budget or Funding Agreement then the parties will refer the matter to dispute resolution. While the dispute is extant Contact shall be required to continue to fund the Trusts' administrative costs to the level of the previously agreed in the current Tauhara Geothermal Charitable Trust Funding Agreement and the terms of that agreement shall stand until replaced.



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