
DEED OF TRUST

*(As amended by Court Order M1691/96 dated 21 March 1997,
Resolution of Trustees dated 10 October 2001
Court Order CP609-IM/01 of 10 December 2001,
Court Order M517-SD02 dated 2 July 2002,
Court Order CIV-2010-404-002966 dated 15 September 2010)*

TABLE OF CONTENTS

1.	DEFINITIONS AND CONSTRUCTION.....	2
1.1	Definitions.....	2
1.2	Construction	4
1.3	Perpetuity Period.....	4
2.	DECLARATION OF TRUST.....	5
2.1	Declaration of Trust.....	5
2.2	Name	5
2.3	Income Trust to be Preferred	5
3.	TRUSTS OF INCOME UNTIL TERMINATION DATE	5
3.1	Income Trusts and Powers in the Ordinary Course	5
3.2	Income Trusts and Powers in Extraordinary Situations	5
3.3	Provisions Applicable in All Situations	6
4.	TRUSTS OF CAPITAL.....	7
4.1	Trusts on and after Termination Date	7
5.	APPOINTMENT, RETIREMENT, AND PROCEEDINGS OF TRUSTEES.....	7
5.1	Method of appointment, Retirement, and Proceedings.....	7
6.	GENERAL POWERS	7
6.1	Powers.....	7
7.	SPECIFIC POWERS.....	7
7.1	Powers, Authorities, and Discretions.....	7
8.	POWERS OF INVESTMENT	9
8.1	Exclusion	9
8.2	Authorised Investments.....	9
8.3	Power to Hold Trust Fund Uninvested	9
8.4	Trustees to Act as Prudent Persons of Business.....	9
8.5	No Requirement to Diversify	9
9.	POWER TO BORROW	9
9.1	Limited Power to Borrow	9
10.	ADVICE OF COUNSEL	10
10.1	Trustees May Take Advice	10
11.	DUTIES OF TRUSTEES.....	10
11.1	As shareholders.....	10
11.2	Notice of Authority to Exercise Shareholder Rights	10
11.3	Shares to be Held in Name of Trust	10
11.4	Keeping of Records	10
11.5	Preparation of Accounts	10
11.6	Audit.....	11
11.7	Publication of Financial Statements	11
12.	INFORMATION TO CONSUMERS.....	11
12.1	Availability of Information.....	11
13.	VARIATION OF TRUST DEED	11
13.1	Variation of Deed	11
14.	ACCELERATED VESTING.....	11
14.1	Termination Date may be Advanced	11
15.	INTERESTED PARTIES	11
15.1	Disclosure	11
15.2	Voting.....	12
15.3	Questions as to Materiality of Interest	12
16.	LIABILITY.....	12
16.1	Limitation on Liability	12
16.2	Moneys Received	12
17.	INDEMNITY.....	12
17.1	Right to Indemnity.....	12
	SCHEDULE.....	14
	RULES GOVERNING APPOINTMENT, RETIREMENT, AND PROCEEDINGS OF THE TRUSTEES	14
1.	INTERPRETATION.....	14
1.1	Terms to have Meanings Ascribed.....	14
1.2	Priority of Deed over Rules	14

PART 1.....	14
CONSTITUTION OF THE TRUSTEES.....	14
2. APPOINTMENT AND ELECTION OF TRUSTEES	14
2.1 Number.....	14
2.2 Eligibility.....	14
2.3 Disqualification	15
2.4 Vacancies	15
2.5 First Trustees.....	15
2.6 Election of Trustees.....	15
2.7 Election Date	15
2.8 Returning Officer	15
2.9 Substitute Returning Officer	16
2.10 Functions of Returning Officer	16
2.11 Payment of Returning Officer	16
2.12 Preparation of Roll	16
2.13 Advertising of Elections and Calling for Nominations	16
2.14 Nominations.....	16
2.15 Withdrawal.....	17
2.16 Closure of Nominations	17
2.17 Circumstances where No Election Necessary.....	17
2.18 Eligibility to Vote	18
2.19 Election	18
2.20 Closure of Poll	18
2.21 Invalid Votes	18
2.22 Counting of Votes	19
2.23 Tied Poll.....	19
2.24 Declaration of Result	19
2.25 Destruction of Voting Papers.....	19
2.26 General Duties of Returning Officer	19
2.27 Election not Invalidated by Irregularity.....	19
2.28 Change of Trustees	19
2.29 Calculation of Time	19
3. TERM OF OFFICE.....	20
3.1 Rights to Re-election.....	20
4. REMUNERATION AND EXPENSES OF TRUSTEES.....	20
4.1 Remuneration	20
4.2 Expenses.....	20
4.3 Payments to be made from Trust Fund.....	20
5. DELEGATION BY TRUSTEES	20
5.1 Power to Delegate.....	20
6. CHAIRPERSON.....	20
6.1 Trustees to Elect Chairperson and Deputy	20
7. QUORUM.....	20
7.1 Quorum.....	20
8. CESSATION OF TRUSTEES	21
8.1 Trustee to Cease to Hold Office in Certain Circumstances	21
8.2 Operation of Disqualification	21
9. RECORDING OF CHANGE OF TRUSTEES	21
9.1 Entry in Minute Book	21
10. VALIDITY OF PROCEEDINGS.....	21
10.1 Validity of Acts Done.....	21
11. RESCISSION OR VARIATION OF RESOLUTIONS	21
11.1 Power to Rescind or Vary	21
PART II.....	22
ADMINISTRATIVE PROVISIONS	22
12. MEETINGS.....	22
12.1 Ordinary Meetings	22
12.2 Special Meetings	22
13. NOTICE OF MEETINGS.....	22
13.1 Notice Requirements	22

	13.2	Content of Notice	22
14.		ADJOURNMENT	22
	14.1	Adjournment	22
15.		COMMITTEES	22
	15.1	Committees	22
16.		MINUTES	23
	16.1	Minute Book	23
	16.2	Evidence of Proceedings	23
	16.3	Meetings Deemed to be Regular	23
17.		RESOLUTIONS.....	23
	17.1	Written Resolution	23
18.		MEETINGS BY TELEPHONE.....	23
	18.1	Deemed to be a Meeting	23
	18.2	Evidence	24
19.		BANK ACCOUNTS	24
	19.1	Keeping of Bank Accounts.....	24
20.		EXECUTION OF DOCUMENTS	24
	20.1	Method of Execution	24
21.		GENERAL POWERS	24
	21.1	Trustees to have all powers necessary	24
		PART III	25
		AMENDMENT OF RULES	25
22.		AMENDMENTS.....	25
	22.1	Power to Amend	25
	22.2	Notice Required	25

AUCKLAND ENERGY CONSUMER TRUST

DEED dated the 27TH August

1993

BETWEEN

PETER FRANKLIN O'BRIEN of Papakura, Chartered Accountant, and

FREDERICK JOSEPH BURNARD BEATTIE of Auckland, Company Director
(together "the Settlers")

A N D

FREDERICK JOSEPH BURNARD BEATTIE of Auckland, Company Director

WILLIAM KEITH ALLAN BERRY of Thames, Orchardist

SUZANNE SHIRLEY CORBETT of Waiwera, Councillor

PATRICK EAMON DEMPSEY of Auckland, Retired Electrical Engineer

AILS A PATRICIA DUFFY of Wellington, Crown Counsel

BRYAN WALLACE HERBERT of Auckland, Company Director

STANLEY ARTHUR LAWSON of Auckland, Retired Manager

PETER FRANKLIN O'BRIEN of Papakura, Chartered Accountant

ROBERT CORBETT WESTERN of Auckland, Engineer

(hereinafter, together with their successors in office, called "the Trustees")

WHEREAS

- A. The Auckland Electric Power Board, duly constituted under the provisions of the Auckland Electric Power Board Act 1978, is the beneficial owner of **MERCURY ENERGY LIMITED**, a registered company limited by shares.
- B. Pursuant to the Energy Companies Act 1992, the Minister responsible for the administration of the Act has approved the establishment plan prepared and submitted by the Board in respect of the Company, which establishment plan provides for the allocation of shares in the Company to the Trustees upon the terms set out in this Deed.
- C. The Settlers wish to establish a consumer trust to be known as the **AUCKLAND ENERGY CONSUMER TRUST**, in terms of which the Trustees shall acquire those shares in the Company which are to be vested in them pursuant to the establishment plan.

- D. The Settlers have paid into the Joint names of the Trustees the sum of \$10 to be held by the Trustees upon the trusts and with and subject to the powers and discretions set out in, or to be implied from, this Deed.

NOW THEREFORE THIS DEED WITNESSES

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

In this Deed, unless the context otherwise requires:

“Act” means the Energy Companies Act 1992.

“Balance Date” means 31 March or any other date adopted from time to time by the Company as the end of its Financial Year.

“Bank” means any bank listed in the register of registered banks referred to in section 69, Reserve Bank of New Zealand Act 1989.

"Board" means the Auckland Electric Power Board constituted by section 5, Auckland Electric Power Board Act 1978.

"Capital Beneficiaries" means those Local Authorities which, as at the Termination Date, shall have within their districts or boundaries any part of the District.

“Closure of the Poll” means closure of the poll in terms of Rule 2.20 of the Schedule.

“Company” means Vector Limited and/or any subsidiary thereof, and/or any related company, either of the company or any subsidiary thereof, and includes any successor of the company or any company arising out of any reconstruction, amalgamation or merger of the company. (Amended 10/10/01)

“Consumer” means an Income Beneficiary. (Amended 21/6/02)

“Declaration of Result” means a declaration of result in terms of Rule 2.24 of the Schedule:

"Deed" means this deed and any amendments thereto.

“Distribution Roll” means a list of the names and addresses of all Consumers as at the date of preparation of that list, to be prepared by the Company at the Trustees' request, and to incorporate such particulars as maybe necessary to enable the Trustees to effect a distribution of income in terms of clause 3.1, the particulars to relate to the period subsequent to the date at which the preceding Distribution Roll was prepared (or in the case of the first Distribution Roll to relate to the period commencing with the date on which the Board's undertaking shall have vested in the Company).

“District” means the area over which the Board, at the time of the vesting of the Board's undertaking in the Company, was authorised to supply electricity pursuant to the licence granted to the Board under section 20, Electricity Act 1968.

"Dividends" in relation to the Company, means any distributions paid in cash or otherwise made by the Company to the Trustees as holders, under this Deed, of shares in the Company.

"Election Date" means an election date in terms of Rule 2.7 of the Schedule.

"Financial Year" means any year or other accounting period of the Company which ends on a Balance Date.

"ICP" means an Installation Control Point number, or other unique identifier, assigned by the Company to a Point of Connection with a premises. *(Added 21/6/02)*

"Income Beneficiary" means a person who:

- (a) is an end-consumer shown in the records of the Company as the holder of an ICP;
- (b) has the Point of Connection for that ICP located within the District; and
- (c) is liable in respect of that ICP for payment of any amount payable for services in relation to the lines of the Company's electricity lines business. *(Added 21/6/02)*

"Line Function Services" means:

- (a) The provision and maintenance of works for the conveyance of electricity;
- (b) The operation of such works, including the control of voltage and assumption of responsibility for losses of electricity.

"Local Authorities" means the Auckland City Council, the Manukau City Council, and the Papakura District Council, and/or any successor or successors of the same which shall have the responsibility for carrying out the primary local government functions discharged as at the date hereof by those Councils.

"Meeting" means any meeting of the shareholders of the Company.

"Member" in relation to a Local Authority, means an elected or appointed member, and includes any mayor, chairperson, or councillor.

"Month" means a calendar month.

"Persons" includes individuals, firms, companies, other incorporated bodies, unincorporated bodies, and Local Authorities.

"Point of Connection" in relation to any premises means the point at which the electricity lines and fittings of the Company used or intended to be used for the purposes of supplying electricity to those premises are connected to lines serving and entering those premises. *(Amended 21/6/02)*

"Register of Members" means the Register of Members of the Company.

"Related Company" has the same meaning as in section 2(5), Companies Act 1955.

"Roll" means the roll of consumers referred to in Rule 2.12 of the Schedule.

"Schedule" means the schedule to this Deed, which schedule forms part of this Deed.

“Subsidiary” has the same meaning as in section 158, Companies Act 1955.

“Termination Date” means the earlier of the expiration of the Perpetuity Period or such other date as may be established pursuant to clause 14.

“Trust” means the Auckland Energy Consumer Trust as established by this Deed.

“Trustees” means the trustees for the time being of the Trust.

“Trust Fund” means the sum of \$10 as referred to in the recitals to this Deed, together with all property which may in the future be received or acquired by the Trustees from any source whatever for the purposes of the Trust, the money and investments from time to time representing such property and, unless inconsistent with the context, the income from such property, and also includes the shares in the Company to be vested in the Trustees by Order in Council made in accordance with section 47 of the Act.

"Trustee Act" means the Trustee Act 1956.

“Working day” means any day of the week other than Saturday or Sunday and excluding Good Friday, Easter Monday, Anzac Day, the day appointed for the observance of the Sovereign’s Birthday, Labour Day, Waitangi Day, Auckland Anniversary Day, and any day falling within the period commencing on 24 December in any year and ending on 5 January in the following year.

“Year” means any period of 12 consecutive months.

1.2 Construction

In this Deed, unless the context otherwise requires:

- (a) References to the singular include the plural and vice versa;
- (b) Headings, and the index, are for convenience only and shall not affect interpretation;
- (c) References to clauses are references to clauses of this Deed, and references to rules are references to rules in the Schedule;
- (d) References to an Act include Regulations, Orders and notices made under or pursuant to such Act;
- (e) Words, terms or expressions which are defined in the Act but which are not defined in this Deed shall have the meanings attributed to them in the Act.

1.3 Perpetuity Period

In terms of section 6, Perpetuities Act 1964, the perpetuity period applicable to the disposition made hereunder shall be a period of 80 years commencing from the date of execution hereof.

2. **DECLARATION OF TRUST**

2.1 **Declaration of Trust**

The Settlers direct and declare, and the Trustees declare and acknowledge, that the Trustees shall stand possessed of the Trust Fund upon the trusts, and with and subject to the powers and discretions, contained in, or to be implied from, this Deed.

2.2 **Name**

The trust established by this Deed shall be known as the **AUCKLAND ENERGY CONSUMER TRUST**. The name of the Trust may be changed from time to time by a resolution of the Trustees.

2.3 **Income Trust to be Preferred**

Where in this Deed the Trustees are required or empowered to exercise any discretion, the Trustees shall be entitled to prefer the interests of Consumers over the interests of the Capital Beneficiaries.

3. **TRUSTS OF INCOME UNTIL TERMINATION DATE**

3.1 **Income Trusts and Powers in the Ordinary Course**

The Trustees shall stand possessed of the income derived from the Trust Fund during each Financial Year on, and subject to, the trusts and powers set out in clause 3.:

(a) **Powers in Respect of Remuneration and Expenses**

To make provision for the payment of, and to pay therefrom, the costs of administering the Trust, including the remuneration, allowances, and expenses payable to the Trustees under this Deed.

(b) **Trust for Distribution of Income Generally**

At such time or times, up to the end of the next succeeding Financial Year, and in such manner, as they determine: the Trustees shall pay, appropriate, or apply the net balance, to, or for the benefit of, the Consumers severally and absolutely.

(c) **Powers in Respect of Distribution of Income Generally**

In, and for the purposes of, making any such distribution, the Trustees may:

- (i) Differentiate as they think fit between Consumers, or groups of Consumers, including, for example, by reference to the relative contributions to the Company's profit of Consumers in each of the tariff categories prescribed by the Company.
- (ii) Identify the Consumers, and categories thereof, by arranging for the preparation of a Distribution Roll as at such date as they shall specify, provided that date shall be no more than three calendar months before the date of each such payment, appropriation, or application.

3.2 **Income Trusts and Powers in Extraordinary Situations**

The provisions of sub-clause 3.1 shall be modified or supplemented as follows in the following situations:

(a) **Where Distribution not in the Interests of Consumers**

Notwithstanding sub-clause 3.1, if they consider it to be insufficient to justify the costs of distribution, the Trustees may retain and accumulate any, or any part of any, otherwise distributable income, and treat it as income derived in the next succeeding Financial Year.

(b) **Unclaimed Payments**

Any payment of income which shall have been returned unclaimed, and which shall have remained unclaimed for two years, shall be forfeit and held on the income trusts of sub-clause 3.1. Pending such forfeiture it shall be held in an unclaimed moneys account by the Trustees, and the income arising from that account shall be treated as income derived by the Trust Fund.

(c) **Income Trusts and Powers on Termination Date**

At the Termination Date, the Trustees shall hold any undistributed income derived at, or accruing to, that date, and, notwithstanding sub-clause 3.2(b), shall hold also any unclaimed but not yet forfeited income: on trust for payment, appropriation, or application to, or for the benefit of, the Consumers on the same terms, mutatis mutandis, as appear in sub-clause 3.1(b).

3.3 **Provisions Applicable in all Situations**

(a) **Trusteeship no Disqualification**

The holding of office as a Trustee shall not debar any Consumer from participation in, or receipt of, any payment, appropriation, or application of income to, or for the benefit of, Consumers.

(b) **Joint Consumers**

Where any Consumers are entitled jointly to the benefit of any resolution by the Trustees to pay, appropriate, or apply any income, the Trustees may pay, appropriate, or apply that income to, or for the benefit of, such one or more of those Consumers as they shall think fit.

(c) **No Interest Payable**

No Consumer shall have any right to interest in respect of any payment, appropriation, or application of income to, or for the benefit of, Consumers.

(d) **Receipt or Discharge not Required**

The Trustees shall not be required to obtain any receipt or discharge in respect of any income paid, applied, or appropriated to, or for the benefit of, any Consumer.

(e) **Exoneration of Trustees**

For the purposes of sub-clause 3.1, the Trustees will not be liable to any Consumer in respect of any form of distribution for which the Consumer shall have given them, and shall not have revoked, a written authority. (Amended 15/9/2010)

4. **TRUSTS OF CAPITAL**

4.1 **Trusts on and after Termination Date**

With effect from the Termination Date, the Trustees shall stand possessed of the corpus of the Trust Fund, upon trust to pay, apply, or appropriate the same to the Capital Beneficiaries and, if more than one Capital Beneficiary, then in such proportion as the number of Consumers having *points of connection* within the district or boundaries of that Capital Beneficiary bears to the total number of Consumers within the District. **Provided** that if, at the Termination Date, there shall be no Local Authorities having within their districts or boundaries any part of the District, the Trustees shall stand possessed of the corpus of the Trust Fund, upon trust to pay, apply, or appropriate the same to the Crown. (Amended 10/10/01)

5. **APPOINTMENT, RETIREMENT, AND PROCEEDINGS OF TRUSTEES**

5.1 **Method of appointment, Retirement, and Proceedings**

The Rules set forth in the Schedule (with such amendments, deletions and additions as may be made pursuant to this Deed or at law) shall, upon the execution of this Deed, govern the appointment, retirement, and proceedings of the Trustees, and ancillary matters.

6. **GENERAL POWERS**

6.1 **Powers**

Except as otherwise specified in this Deed, the Trustees may exercise all of the powers, authorities, and discretions conferred upon them by this Deed, which powers, authorities, and discretions shall be in addition to and not by way of limitation of those conferred upon the Trustees by the Trustee Act.

7. **SPECIFIC POWERS**

7.1 **Powers, Authorities, and Discretions**

The Trustees shall have, and may exercise, the specific powers, authorities, and discretions as set out in this Clause 7.1:

(a) **To Appoint Directors**

To appoint such directors of the Company as they may be entitled to appoint in accordance with the articles of association thereof, provided that not more than two of any such appointees shall be Trustees.

(b) **To Appoint Secretary**

To appoint, at such remuneration and upon such conditions as they may think fit, any person, other than a Trustee, as secretary of the Trust, and to remove such person and appoint a replacement secretary as and when they think fit.

(c) **To Employ**

To employ at such remuneration and upon such conditions as they may think fit, any person to perform any service relating to the Trust, including the receipting and paying of money, the Trustees not to be liable for any loss arising from the actions of any such employee.

(d) **To Appoint Custodian Trustee**

To appoint any corporation to be a custodian trustee at the Trust Fund, pursuant to the powers conferred by section 50 of the Trustee Act.

(e) **To Invest**

To invest or reinvest all or any part of the Trust Fund, whether income or capital not immediately required for the purposes of the Trust, in any form of investment authorised by this Deed.

(f) **To Operate Bank Accounts**

At any time to open an account or accounts in the name of the Trust at any Bank (and to overdraw any such account with or without giving any security) and, in addition to the powers conferred by section 81 of the Trustee Act, to make arrangements with any Bank for the Trustees or any two or more of them (as authorised in writing by all of the Trustees) to operate upon any such account.

(g) **To Determine Status of Funds**

To determine, for the purposes of this Deed, whether any money or property is to be considered as income or capital notwithstanding any opinion of the Company or of any other person as to such matter, and to determine what expenses are to be paid out of income and capital respectively, and also to apportion payments, and every such determination or apportionment shall be final and binding on all persons beneficially interested in the Trust Fund.

(h) **To Exercise Powers as Shareholder**

To exercise, as the Trustees in their absolute discretion shall think fit, all of the powers attaching to any shares in the Company forming part of the Trust Fund.

(i) **To Take Up Rights as Shareholder**

To accept or take up any bonus shares or other benefits or entitlements given by any company in respect of any shares held as part of the Trust Fund.

8. POWERS OF INVESTMENT

8.1 Exclusion

The power to invest given to the Trustees by section 13A(1) of the Trustee Act is hereby excluded.

8.2 Authorised Investments

The Trustees may invest all or any part of the Trust Fund in all or any of the following investments:

- (a) Shares or other equity securities, or debt securities, of the Company;
- (b) Stock, funds or other securities of the New Zealand Government;
- (c) Interest bearing deposits or foreign currency deposits with any Bank;
- (d) Any debt or equity instrument with any domestic or international entity having an approved rating agency credit rating of not less than A- or its equivalent.

8.3 Power to Hold Trust Fund Uninvested

Notwithstanding Clause 8.2, the Trustees may hold all or any part of the Trust Fund uninvested for any period or periods, for the purpose of:

- (a) Accumulating sufficient funds for the purpose of investment; or
- (b) Holding sufficient funds to meet the Trust's payment obligations as they fall due.

8.4 Trustees to Act as Prudent Persons of Business

Notwithstanding the provisions of section 13C of the Trustee Act and the likelihood that a Trustee may in his or her profession, employment, or business be engaged in investing money on behalf of others, that Trustee shall not be required to exhibit the care, diligence and skill required of a trustee by the said section 13C, but shall at all times exhibit the care, diligence and skill that a prudent person of business would exercise in managing the affairs of others.

8.5 No Requirement to Diversify

Notwithstanding anything in this Deed, no Trustee shall be liable for a breach of trust in respect of a failure to exercise the care, diligence, and skill that a prudent person of business should exercise in managing the affairs of others, merely because the investments of the Trust Fund are not diversified, or because the Trust Fund consists only of shares or of other equity securities or debt securities of the Company.

9. POWER TO BORROW

9.1 Limited Power to Borrow

The Trustees shall have power to borrow with or without security and whether by way of overdraft or otherwise:

- (a) Such sum as the Trustees may think fit, for remuneration and expenses lawfully incurred or to be incurred in terms of this Deed, pending the receipt of Dividends; and
- (b) Such sum as the Trustees may think fit, for the purposes of accepting or talking up any bonus shares or other rights or benefits issued or given by the Company.

10. ADVICE OF COUNSEL

10.1 Trustees May Take Advice

The Trustees may take and act upon the opinion of any barrister, or barrister and solicitor, of the High Court of New Zealand, of not less than seven years standing whether in relation to the interpretation of this Deed or any other document or any statutory provision, relating to the administration of the Trust, without being liable to any person who may claim to be in any way beneficially interested in respect of any act done in accordance with such opinion, provided that nothing in this Clause 10.1 shall preclude the Trustees from applying to the High Court of New Zealand for directions, should they think fit.

11. DUTIES OF TRUSTEES

11.1 As shareholders

The Trustees shall not exercise, or purport to exercise any rights or powers as shareholders other than in their capacity as Trustees.

11.2 Notice of Authority to Exercise Shareholder Rights

The Trustees shall ensure that written notice is from time to time given to the secretary of the company naming the person who shall be entitled to exercise, at any Meeting, the rights and powers attaching to any shares in the Company held by the Trust. No Trustee shall attempt to interfere with such authorised nominees' exercise of the rights and powers so conferred.

11.3 Shares to be Held in Name of Trust

All shares in the Company forming part of the Trust Fund shall be held and registered in the name of the Trust.

11.4 Keeping of Records

The Trustees shall ensure that full and correct records and accounts are kept of all financial transactions of the Trust, and of the assets, liabilities and funds of the Trust.

11.5 Preparation of Accounts

After the end of each Financial Year, the Trustees shall cause to be prepared financial statements including a balance sheet, income and expenditure account, and notes to those documents, giving a true and fair view of the financial affairs of the Trust for that Financial Year.

11.6 **Audit**

The Trustees shall from time to time appoint, at such remuneration and upon such terms as they think fit, an auditor of the Trust, being a person (not being the auditor of the Company) who is a member of the New Zealand Society of Accountants, and shall ensure that all annual financial statements are duly audited.

11.7 **Publication of Financial Statements**

As soon as practicable after completion of the audit of the Trust's financial statements, the Trustees shall:

- (a) Cause to be published in the principal newspaper circulating in the District a notice advising that such financial statements are available for inspection by Consumers, and stating where the same may be inspected; and
- (b) Supply to each Local Authority having within its district or boundaries any part of the District a copy of such financial statements.

12. **INFORMATION TO CONSUMERS**

12.1 **Availability of Information**

The Trustees shall have discharged any obligation to make available to Consumers any information relating to the Trust if they shall have made the same available for inspection by Consumers during normal business hours on any Working Day at any office of the Trust or at any other place in the District which the Trustees may have notified by public advertisement for the purpose.

13. **VARIATION OF TRUST DEED**

13.1 **Variation of Deed**

Except as authorised by the High Court of New Zealand, or by Rule 22 of the Schedule, this Deed may not be altered or amended by the Trustees.

14. **ACCELERATED VESTING**

14.1 **Termination Date may be Advanced**

If in their sole and absolute discretion, the Trustees shall determine that it has become impracticable or impossible to perform the trusts of income in terms of this Deed (which decision shall be final and binding), then the Trustees may in their absolute discretion, and by unanimous resolution, advance the Termination Date.

15. **INTERESTED PARTIES**

15.1 **Disclosure**

Where a Trustee, whether directly or indirectly, has a material interest in any contract or proposed contract, arrangement or dealing with the Trust (other than as a Consumer or as a member, officer, or employee of any firm, company or organisation that is a Consumer), such Trustee shall disclose the nature of that interest at a meeting of the Trustees and such disclosure shall be duly recorded in the minutes of that meeting.

15.2 **Voting**

A Trustee required by Clause 15.1 to disclose an interest may be counted in a quorum present at a meeting of Trustees but shall not vote in respect of the matter in which he or she is interested (and if the Trustee does so vote such vote shall not be counted).

15.3 **Questions as to Materiality of Interest**

If any question shall arise at any meeting of Trustees as to the materiality of a Trustee's interest or as to the entitlement of any Trustee to vote, and such question is not resolved by the Trustee voluntarily agreeing to abstain from voting, such question shall be referred to the chairperson of the meeting and his or her ruling on the matter shall be final and conclusive, except in a case where the nature or extent of the interest of the Trustee concerned has not been fairly disclosed.

16. **LIABILITY**

16.1 **Limitation on Liability**

No Trustee acting or purporting to act as such shall be liable for any loss not attributable to that Trustee's own dishonesty, or to the wilful commission by the Trustee of an act known by that Trustee to be in breach of trust, or to any wilful omission by that Trustee to act. In particular, no Trustee shall be bound to take, or shall be liable for failure to take, any proceeding against another Trustee for any breach or alleged breach of trust committed by such Trustee.

16.2 **Moneys Received**

Each Trustee shall be chargeable only for such moneys as shall actually have been received by that Trustee although that Trustee may have joined in any receipt for moneys received by another Trustee. No Trustee shall be answerable for the acts of any other Trustee nor for any loss which may arise by reason of any part of the Trust Fund being lawfully deposited in the hands of any banker, solicitor, or other agent, or for the insufficiency or deficiency of any security upon which any trust moneys or any part thereof may be invested, or for any loss sustained by the Trust, unless the same shall have happened through his or her neglect or default.

17. **INDEMNITY**

17.1 **Right to Indemnity**

Any Trustee shall be indemnified out of the Trust Fund for and in respect of any loss or liability which such Trustee may sustain or incur by reason of the carrying out, or omission of any function, duty, or power of the Trustees under this Deed (including the costs of defending any proceeding, whether civil or criminal, taken against any such Trustee), and also in respect of any expenses incurred by the Trustee in the management and administration of the Trust Fund, unless such loss or liability is attributable to such Trustee's dishonesty or to the wilful commission by such Trustee of an act known by that Trustee to be a breach of trust or to the wilful failure by such Trustee to perform any act when that failure was known by such Trustee to constitute a breach of trust.

IN WITNESS WHEREOF this Deed has been executed on the day and in the year first hereinbefore written

SIGNED by * in the presence of:)
)

*

Witness

Occupation

Address

SIGNED by * in the presence of:)
)

*

Witness

Occupation

Address

SCHEDULE

RULES GOVERNING APPOINTMENT, RETIREMENT, AND PROCEEDINGS OF THE TRUSTEES

1. INTERPRETATION

1.1 Terms to have Meanings Ascribed

Words and expressions used in these Rules which are defined in the Deed shall have the meanings given to them therein, unless the context otherwise requires.

1.2 Priority of Deed over Rules

These Rules shall be construed subject to the provisions of the Deed, and in the case of any conflict between the same the provisions of the Deed shall prevail.

PART 1 CONSTITUTION OF THE TRUSTEES

2. APPOINTMENT AND ELECTION OF TRUSTEES

2.1 Number

There shall be five Trustees.

2.2 Eligibility

Only Consumers who are natural persons having attained the age of 18 shall be eligible for election or appointment as Trustees. The following persons shall not be eligible for election or appointment as a Trustee:

- (a) A bankrupt who has not obtained a final order of discharge or whose order of discharge has been suspended for a term not yet expired, or who is subject to a condition not yet fulfilled or to any order under section 111, Insolvency Act 1967;
- (b) A person who has been convicted of any offence punishable by a term of imprisonment of two or more years, unless that person has been pardoned or has served or otherwise suffered the sentence imposed;
- (c) A person who has been sentenced to imprisonment for any offence, unless that person has been pardoned or has served the sentence imposed;
- (d) A person in respect of whom an order has been made under either section 189 or section 189A, Companies Act 1955;
- (e) A person who is subject of a compulsory treatment order within the meaning of the Mental Health (Compulsory Assessment and Treatment) Act 1992;

- (f) A person who has had a manager appointed in respect of his or her property pursuant to the Protection of Personal and Property Rights Act 1988;
- (g) A person who is not a Parliamentary elector for the purposes the Electoral Act 1956;
- (h) A person who is a Member of Parliament, or a Member of a Local Authority, or an employee in a senior management position with a Local Authority;
- (i) A Consumer who does not have his or her principal place of residence within the District;

2.3 Disqualification

No person shall be disqualified from being eligible for election or appointment as a Trustee:

- (j) In terms of Rule 2.2(b), unless the time for appealing against the relevant conviction has expired with no appeal being made or, in the event of an appeal, until the appeal has failed;
- (k) In terms of Rule 2.2(c), unless the time for appealing against the sentence of imprisonment has expired without an appeal being made or, in the event of an appeal, until the appeal has failed.

2.4 Vacancies

Where there shall occur any casual vacancy in the number of Trustees holding office, the continuing Trustees may appoint some other eligible person to be a Trustee for the balance of the term of office of the Trustee who has ceased to hold office.

2.5 First Trustees

Notwithstanding anything in Rules 2.1 or 2.2, the first Trustees shall be those of the Board's interim trustees (in terms of the Energy Companies Act 1992), who shall have signed this Deed as Trustees. Such Trustees shall retire from office following the Declaration of Result made after the election held on 1 October 1994.

2.6 Election of Trustees

Subject to Rules 2.4 and 2.5, the Trustees shall be elected by the Consumers at triennial elections.

2.7 Election Date

The first Election Date shall be 1 October 1994, with subsequent Election Dates triennially *in October* thereafter. (Amended 21/3/97)

2.8 Returning Officer

A returning officer shall be appointed by the Trustees for each election of Trustees, such appointment to be made not less than five months before each Election Date. Neither a Trustee, the secretary of the Trust, nor a director of the Company, shall be appointed as a returning officer.

2.9 **Substitute Returning Officer**

In the event of the death, incapacity, or resignation of a returning officer, a substitute returning officer shall be appointed in the stead of the previous returning officer.

2.10 **Functions of Returning Officer**

The returning officer shall be responsible for conducting the election of Trustees. To the extent that these Rules do not prescribe as to a particular matter in connection with such an election, the returning officer shall be entitled to determine the procedure and act accordingly. The returning officer shall be entitled to utilise the services of such persons as the returning officer may deem appropriate, and to require that the cost of such services be met out of the Trust Fund. In the event of doubt or dispute as to any matter affecting such an election, the returning officer shall be entitled to resolve such doubt or dispute, and the decision of the returning officer shall be final and conclusive.

2.11 **Payment of Returning Officer**

The returning officer shall be entitled to receive such reasonable remuneration and reimbursement of expenses as the Trustees shall determine after consultation with the returning officer.

2.12 **Preparation of Roll**

Not later than four months before an Election Date, the returning officer shall establish a Roll by obtaining from the Company the names and addresses of all Consumers as at a date to be nominated by the returning officer. The returning officer shall accept the information provided as accurate and correct, but shall be entitled to add names and addresses to the Roll if satisfied that the name or address of any Consumer has been omitted. The returning officer may at any time remove from the Roll the name of any person if, to the knowledge of the returning officer, that person has ceased to be a Consumer. The decision of the returning officer as to the addition or deletion of any name or address from the Roll shall be final and conclusive.

2.13 **Advertising of Elections and Calling for Nominations**

Not later than three months before the Election Date the returning officer shall cause a notice to be published in the principal newspaper circulating within the District, which notice shall advise all Consumers on the Roll of:

- (a) The general nature of the election;
- (b) The place or places at which nomination forms for the election may be obtained;
- (c) The day and time nominations close; and
- (d) The day and time the poll closes.

2.14 **Nominations**

- (a) Every nomination of a candidate shall be in writing. All candidates shall be nominated, and their nominations signed, by a person on the Roll.

Nomination forms shall be in such form as the returning officer may decide, but shall include:

- (i) The full name and address of the candidate;
 - (ii) A statement by the candidate that the candidate is not, and to the best of the candidate's knowledge and belief will not on the Election Date, be disqualified from holding office as a Trustee by reason of any of the matters specified in Rule 2.2; and
 - (iii) The signature of the nominator and candidate.
- (b) The returning officer shall require each candidate to pay a deposit of such amount as the returning officer shall consider reasonable. All candidates for an election shall be required to pay the same deposit, which deposit shall accompany the candidate's nomination form and shall be refundable to the candidate in the event that the candidate receives not less than 10% of the total votes cast. If the candidate shall fail to receive such percentage, the deposit shall be forfeited and shall become part of the Trust Fund.
- (c) The returning officer shall be entitled to declare any nomination invalid where on reasonable grounds he or she has good cause to believe that the candidate is ineligible for election in terms of Rule 2.2.

2.15 **Withdrawal**

The nomination of a candidate shall be disregarded, and treated as void, and the candidate shall be ineligible for election, if:

- (a) The nominator withdraws the nomination by notice received by the returning officer before closing of nominations; or
- (b) The candidate withdraws by notice received by the returning officer before a result is declared; or
- (c) The candidate dies before the result is declared; or
- (d) The candidate becomes disqualified by virtue of Rule 2.2, before the result is declared.

2.16 **Closure of Nominations**

Nominations shall close at 5pm on the day two months before the Election Date.

2.17 **Circumstances where No Election Necessary**

If by the date for the closing of nominations, only five valid nominations have been received, the returning officer shall forthwith declare such five candidates duly elected, and no election shall be held. If, by the date for the closing of nominations, fewer than five nominations have been received, the returning officer shall forthwith declare those nominated to be duly elected, and the Trustees so elected shall forthwith appoint a person or persons who qualifies for appointment as a Trustee in terms of Rule 2.2 to fill such vacancy or vacancies. A declaration of the returning officer pursuant to this Rule 2.17 shall be deemed to be a Declaration of Result.

2.18 Eligibility to Vote

The following provisions shall govern eligibility to vote in an election of Trustees:

- (a) Each Consumer on the Roll shall be entitled to one vote;
- (b) Where more than one person is named on the Roll as Consumer jointly with another person or persons, the person whose name first appears on the Roll shall exercise the vote for that Consumer to the exclusion of the other person or persons;
- (c) Consumers on the Roll which are not natural persons shall be entitled to exercise their vote through an authorised representative (who may also be a Consumer on the Roll exercising a personal vote); and
- (d) Eligible voters shall not vote for more than five candidates.

2.19 Election

As soon as practicable after the 16th day before the Election Date, and in any case not later than the 10th day before the Election Date, the returning officer shall distribute to each Consumer at that Consumer's address as shown on the Roll, and in such manner as the returning officer considers appropriate:

- (a) A printed voting paper containing:
 - (i) The names of all candidates validly nominated in the alphabetical order of their respective surnames; and
 - (ii) Instructions for voting;
- (b) Notification as to the date and time the poll closes; and
- (c) A prepaid return-addressed envelope.

2.20 Closure of Poll

The poll shall close no later than 5pm on the Election Date, and no vote received after that time shall be counted.

2.21 Invalid Votes

A vote shall be invalid and shall not be counted if:

- (a) The voter votes, or purports to vote, more than once, unless voting in a representative capacity in terms of Rule 2.18(c); or
- (b) The voter shall have voted for more candidates than there are Trustees to be elected; or
- (c) In the opinion of the returning officer, the voting paper does not indicate, sufficiently clearly, the candidate or candidates for whom the voter intended to vote; or
- (d) The returning officer believes, on reasonable grounds, that the voting paper is not a genuine voting paper issued by the returning officer.

2.22 Counting of Votes

The returning officer shall as soon as practicable after the Election Date, but in any event not later than 14 days thereafter, count the valid votes cast for each candidate and ascertain the candidates elected.

2.23 Tied Poll

Where, because two or more candidates have received the same number of valid votes, the returning officer shall decide which of them shall be elected, by lot drawn by the relevant candidates in the presence of the returning officer and such other person or persons (if any) as the returning officer may determine.

2.24 Declaration of Result

Forthwith after ascertaining which candidates have been elected, the returning officer shall declare the names of the Trustees elected, and shall publish those names in the principal newspaper circulating in the District.

2.25 Destruction of Voting Papers

After the Declaration of Result, the returning officer shall destroy all voting papers.

2.26 General Duties of Returning Officer

The returning officer and every person assisting the returning officer shall faithfully and impartially perform their respective duties and shall not, directly or indirectly:

- (a) Before the Declaration of Result, make known the state of the poll, or give or purport to give any information by which the state of the poll might be known;
- (b) Make known for which candidate or candidates any person has voted;
- (c) Give to any person any information likely to defeat the secrecy of the election.

2.27 Election not Invalidated by Irregularity

An election shall not be invalidated by virtue of any irregularity having occurred prior to the voting, or by reason of any failure to comply with these Rules as to the conduct of the election or as to the counting of the votes, if it appears to the returning officer that the election was conducted generally in accordance with the principles laid down in these Rules and that the irregularity, failure, or mistake, did not affect the result of the election.

2.28 Change of Trustees

Notwithstanding any other provision in the Deed or in these Rules, retiring Trustees shall remain in office until the returning officer shall have made a Declaration of Result pursuant to Rule 2.17 or Rule 2.24. Forthwith upon the Declaration of Result, the candidates declared elected shall assume office in place of the retiring Trustees.

2.29 Calculation of Time

If any day upon or by which any step is to be taken in terms of these Rules is not a Working Day, then the date for performance shall be deemed to be the Working Day immediately following.

3. TERM OF OFFICE

3.1 Rights to Re-election

Subject to Rule 8, the Trustees (including the first Trustees) shall hold office from the date of their appointment or election until the Declaration of Result following the next election. Subject to Rule 2.2, a Trustee may seek re-election at the expiration of that term.

4. REMUNERATION AND EXPENSES OF TRUSTEES

4.1 Remuneration

The Trustees shall be entitled to such remuneration for their services as may be reasonable having regard to their duties and responsibilities as Trustees.

4.2 Expenses

The Trustees shall be entitled to be indemnified against, and reimbursed for, any expenses reasonably incurred by them in the exercise of their powers and duties as Trustees.

4.3 Payments to be made from Trust Fund

Payment of remuneration, and reimbursement of expenses, to the Trustees shall be made out of the Trust Fund.

5. DELEGATION BY TRUSTEES

5.1 Power to Delegate

Any Trustee may, in any of the circumstances permitted by section 31 of the Trustee Act, exercise the powers thereunder of delegating all or any trusts, powers, authorities, and discretions to any person who has first been for that purpose approved by all of the other Trustees.

6. CHAIRPERSON

6.1 Trustees to Elect Chairperson and Deputy

The Trustees may from time to time elect a chairperson and a deputy chairperson and determine the period for which the chairperson and deputy chairperson are to hold office. The chairperson (or in the absence of the chairperson, the deputy chairperson, or in the absence of both, a Trustee elected by the meeting) shall take the chair at each meeting of the Trustees and shall have a casting vote.

7. QUORUM

7.1 Quorum

The quorum for meetings of the Trustees shall be three Trustees.

8. CESSATION OF TRUSTEES

8.1 Trustee to Cease to Hold Office in Certain Circumstances

A Trustee shall cease to hold office if such Trustee:

- (a) Has not been re-elected as a Trustee;
- (b) Has resigned as Trustee by notice in writing to the secretary of the Trust or, if there is no secretary, to the chairperson;
- (c) Has refused to act as a Trustee;
- (d) Has for more than four consecutive months been absent without permission of the other Trustees from meetings of the Trustees held during that period;
- (e) Has died; or
- (f) Has become disqualified from office as a Trustee in terms of Rule 2.2.

8.2 Operation of Disqualification

Rule 2.3 shall apply, mutatis mutandis, to Rule 8.1(f) insofar as applicable. During any appeal period, the Trustee shall be deemed to have taken leave of absence and shall not be capable of acting as a Trustee. If the conviction or sentence of imprisonment (as the case may be) is not upheld, the Trustee shall immediately be reinstated. If the conviction or sentence (as the case may be) is upheld, the disqualification shall take effect immediately.

9. RECORDING OF CHANGE OF TRUSTEES

9.1 Entry in Minute Book

Upon every appointment, reappointment, retirement or termination of appointment of any Trustee, the Trustees shall cause the same to be recorded in the minute book of the Trust as referred to in Rule 16.1.

10. VALIDITY OF PROCEEDINGS

10.1 Validity of Acts Done

All acts done by any meeting of Trustees or by a committee of Trustees or by any person acting as a Trustee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Trustee or person acting as aforesaid, or that they or any of them were for any reason disqualified, be as valid as if such person had been duly appointed and was qualified to be a Trustee.

11. RESCISSION OR VARIATION OF RESOLUTIONS

11.1 Power to Rescind or Vary

Any resolution of the Trustees may be rescinded or varied from time to time by the Trustees at any ordinary or special meeting.

**PART II
ADMINISTRATIVE PROVISIONS**

12. MEETINGS

12.1 Ordinary Meetings

The Trustees shall hold such ordinary meetings at such intervals as they may deem appropriate for the proper conduct of the affairs of the Trust.

12.2 Special Meetings

A special meeting of the Trustees may at any time be summoned by three Trustees for any reason which they may consider justifies the holding of such special meeting.

13. NOTICE OF MEETINGS

13.1 Notice Requirements

Written notice of every meeting, whether ordinary or special, shall be delivered or sent by post or by facsimile to each Trustee, by the secretary or other person acting under the direction of the Trustees. In the case of a special meeting, the Trustees summoning it, or the secretary or other person acting under the direction of the Trustees, shall give at least seven days' notice of such special meeting. No notice of any adjourned meeting shall be required to be given other than to a Trustee who was not present when the meeting was adjourned.

13.2 Content of Notice

Every notice of meeting shall state the place, day and hour of the meeting, and every notice of a special meeting shall state the matters to be discussed at that meeting. Notice of any general or special meeting may be abridged or waived if all the Trustees who are for the time being in New Zealand consent in writing to such abridgement or waiver.

14. ADJOURNMENT

14.1 Adjournment

If a quorum of Trustees shall not be present within 30 minutes after the time appointed for any meeting of the Trustees, the meeting shall be deemed dissolved. Any meeting may be adjourned by the chairperson upon the adoption of a resolution for its adjournment, the resolution to state the time and place for resumption of the meeting.

15. COMMITTEES

15.1 Committees

Any two or more Trustees may be constituted a committee for the purposes of making any inquiry, or of supervising or transacting any business of the Trust (excluding the investment and management of the Trust Fund or any part thereof), or of performing any duty or function which in the opinion of the Trustees will further the

purposes and objects of the Trust. Subject to these Rules and to any directions from time to time given by the Trustees, every such committee may regulate its own procedure. The quorum at any meeting of a committee of Trustees shall be a majority of its members for the time being.

16. **MINUTES**

16.1 **Minute Book**

A minute book shall be provided and kept by the Trustees and all proceedings of the Trustees shall be entered in the minute book.

16.2 **Evidence of Proceedings**

Minutes purporting to be signed by the chairperson of the meeting at which proceedings were conducted, or by the chairperson of the next succeeding meeting, shall be evidence of the proceedings concerned.

16.3 **Meetings Deemed to be Regular**

Where minutes of any meeting have been made in accordance with the provisions of these Rules, then until the contrary is proved, the meeting shall be deemed to have been duly held and all proceedings at that meeting to have been properly conducted.

17. **RESOLUTIONS**

17.1 **Written Resolution**

Notwithstanding any other provision of the Deed or of these Rules, a resolution in writing signed by all of the Trustees or (as the case may be) by all of the members of a committee of the Trustees, shall be as effective for all purposes as a resolution passed at a meeting of the Trustees or of such committee (as the case may be) duly convened, held, and constituted. Such resolution may consist of several documents in the same form, each signed by one or more of the Trustees or by one or more members of the committee (as the case may be).

18. **MEETINGS BY TELEPHONE**

18.1 **Deemed to be a Meeting**

Notwithstanding any other provision of the Deed or of these Rules, the contemporaneous linking together by telephone or other means of communication of a number of the Trustees or members of a committee of the Trustees, being not less than a quorum, together with the secretary or a person acting secretarially, shall be deemed to constitute a meeting and all the provisions in these Rules as to meetings shall apply to any such meeting so long as the following conditions are met:

- (a) All the Trustees for the time being entitled to receive notice of a meeting of the Trustees or of a committee of the Trustees as the case may be, shall be entitled to notice of a meeting by telephone or by other means of communication and to be linked accordingly for the purposes of such meeting. Notice of such meeting may be given by telephone or other means of communication.

- (b) Each of the Trustees taking part in the meeting, and the secretary or person acting secretarially, must be able to hear each of the others taking part as at the commencement of the meeting;
- (c) At the commencement of the meeting, each Trustee must acknowledge his or her presence for the purpose of such meeting to all of the others taking part, and
- (d) No Trustee taking part shall leave the meeting by disconnecting his or her telephone or other means of communication without having previously obtained the express consent of the chairperson of the meeting, and shall be presumed conclusively to have been present and to have formed part of the quorum at all times during the meeting unless he or she shall have obtained the express consent of the chairperson to leave such meeting.

18.2 Evidence

Minutes of the proceedings of any meeting held in accordance with Rule 18.1 shall be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as a correct minute by the chairperson of the meeting and by the secretary or other person acting secretarially.

19. BANK ACCOUNTS

19.1 Keeping of Bank Accounts

Bank accounts in the name of the Trust shall be opened and kept with a Bank or Banks selected from time to time by the Trustees. All sums of money received for the account of the Trust shall forthwith be paid to the credit of such account or accounts unless otherwise expressly ordered by the Trustees. All negotiable instruments and all receipts for moneys paid to the Trust shall be signed, drawn, accepted, endorsed, or otherwise executed as the case may be, in such manner as the Trustees shall from time to time determine.

20. EXECUTION OF DOCUMENTS

20.1 Method of Execution

All documents requiring to be executed by the Trustees shall be deemed to be validly executed and binding on the Trust if such documents have been entered into and executed by the authority of the Trustees previously given and signed by at least two Trustees and countersigned by the secretary or by another Trustee or by any other person approved by the Trustees for such purpose.

21. GENERAL POWERS

21.1 Trustees to have all powers necessary

Subject to the provisions of the Deed and of these Rules, the Trustees shall have the power to do all acts and things which they may consider proper or advantageous for accomplishing the purposes and objects of the Trust.

**PART III
AMENDMENT OF RULES**

22. AMENDMENTS

22.1 Power to Amend

The Rules contained in Part II of this Schedule, being administrative provisions, may be rescinded, amended or added to by the unanimous resolution of the Trustees duly recorded in the minute book referred to in Rule 16.1.

22.2 Notice Required

No such resolution to rescind, amend or add to any Rule in Part II of this Schedule shall be effective unless notice thereof shall have first been given in the notice convening the meeting, and no such rescission, amendment or addition shall conflict with any of the provisions of the Deed, or with any Rule in either Part I or in Part III of this Schedule, or with any provisions of the Act.