

**HER MAJESTY THE QUEEN
WAIKATO REGIONAL COUNCIL
TAUPO DISTRICT COUNCIL
(Settlers)**

SUSAN YEREX

JOHN THOMAS KNEEBONE

COLIN TREVOR HORTON

JOHN ATIRAU HURA

JEREMY JAMES RICKMAN

**GERALD FRASER FITZGERALD
(Trustees)**

**THE LAKE TAUPO PROTECTION TRUST
TRUST DEED**

Brookfields
LAWYERS

**THE LAKE TAUPO PROTECTION TRUST
TRUST DEED**

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**THE LAKE TAUPO PROTECTION TRUST
TRUST DEED**

DEED dated the day of 2007

PARTIES

1. HER MAJESTY THE QUEEN acting by and through the Minister for the Environment

WAIKATO REGIONAL COUNCIL

TAUPO DISTRICT COUNCIL (together "the Settlers")

2. SUSAN YEREX, JOHN THOMAS KNEEBONE, COLIN TREVOR HORTON,
JOHN ATIRAU HURA, JEREMY JAMES RICKMAN and GERALD FRASER
FITZGERALD (together "the Trustees")

INTRODUCTION

- A. The Settlers have identified that the quality of water in Lake Taupo is declining and have agreed to commit resources to a project, named The Lake Taupo Protection Project, with the objective of achieving a reduction in the amount of nitrogen entering the Lake.
- B. Under the Project Agreement the Settlers have decided to establish a charitable trust for the purpose of implementing The Lake Taupo Protection Project.
- C. The Settlers have paid the sum of \$10.00 to be held by the Trustees upon the trusts and with and subject to the powers and provisions expressed in this deed.

THIS DEED RECORDS that:

1. DEFINITIONS AND INTERPRETATIONS

Definitions

- 1.1 In this deed unless the context otherwise requires:

"Charitable Purposes" means every purpose which under the law of New Zealand is charitable.

"Chairperson" means the chairperson of the Trust appointed under clause 12 and may, as provided in clause 12, include the Deputy Chairperson.

"CCO" means a Council Controlled Organisation within the meaning of the LGA'02.

"deed" means this deed of trust and includes all additions and amendments made pursuant to and in compliance with the relevant provisions of this deed.

"Funding Deed" means the deed between the Settlers and the Trust in relation to contributions to the Public Fund, setting out the terms of funding.

"Governance Costs" means the ongoing annual amount required to cover the costs of the Joint Committee, which shall comprise:

- (a) any remuneration and out of pocket expenses paid to members of the Joint Committee in accordance with clause 8.5 of the Project Agreement;
- (b) any expenses related to the costs of running and administering the Joint Committee, including the holding of meetings.

"Joint Committee" means the joint committee established by the Settlers pursuant to the Project Agreement.

"Lake Taupo Catchment Area" means the catchment area for Lake Taupo as defined in the Environment Waikato Lake Taupo variation to the Regional Plan (Proposed 2005). A copy of the relevant map showing the catchment boundaries is attached as Schedule 2.

"Lake Taupo" and **"Lake"** mean Lake Taupo.

"LGA'02" means the Local Government Act 2002.

"Operative Date" is the date of this deed.

Preliminary Costs means:

- (a) the costs related to the establishment of the Project including preparation of the relevant documentation and the establishment of the Trust and the Joint Committee, as set out in part II of Schedule 1 to the Project Agreement;
- (b) the costs of undertaking the Project already approved by or on behalf of the Settlers prior to the Operative Date whether such costs have been expended or not, as set out in part II of Schedule 1 to the Project Agreement.

"Project" means The Lake Taupo Protection Project (being the nitrogen reduction component of The Protecting Lake Taupo Strategy) as set out and described in clause 2.

"Project Agreement" means the agreement between the Settlers establishing the Project, dated 9 February 2007.

"Public Fund" means the Public Fund established by and provided for in the Project Agreement.

Representative Group means the individuals specified in clause 7.5 of the Project Agreement who will govern the Project if the Joint Committee is discharged and not reconstituted and who represent the respective parties specified in clause 7.5 of the Project Agreement or the successors, substitutes or equivalents of such parties.

"Secretary" means the Secretary of the Trust appointed under clause 12.

"Statement of Intent" means the annual statement of intent required under clause 14, which has the purpose, meaning and effect as set out and provided for in the LGA'02 and which shall include the proposed annual budgeted expenditure of the Trust together with projections for the following two financial years.

"Trust" means the trusts established by this deed.

"Trust Fund" means:

- (a) the sum of \$10 referred to in paragraph C of the Introduction being the initial capital settled on the Trustees by the Settlers; and

- (b) the balance of the moneys comprising the Public Fund which are paid or transferred to the Trustees after payment of the Preliminary Costs and the Governance Costs; and
- (c) all other moneys or property (both tangible and intangible) paid or transferred to or acquired by the Trustees to be held by them upon the trusts established by this deed; and
- (d) all income received from the property held by the Trustees upon the trusts established by this deed unless inconsistent with the context; and
- (e) all moneys invested and property from time to time representing the items mentioned in (a), (b), (c) and (d) of this definition.

"Trust Period" means the duration of the period of the Project as determined by the Settlers under the Project Agreement and notified in writing to the Trustees together with any further period of time as is determined by the Trustees and approved by the Settlers.

"Trustees" means the trustees for the time being of the Trust and "Trustee" means a trustee of the Trust.

"working day" means a "working day" as defined by Section 5 of the LGA'02.

Interpretation

1.2 In this deed:

- (a) where the context permits, the singular includes the plural and vice versa;
- (b) references to one gender include the other genders;
- (c) references to sections, clauses and schedules are references to sections and clauses in, and to schedules to, this deed, unless stated otherwise. Each such schedule forms part of this deed;

- (d) headings are inserted for guidance only and shall not govern the interpretation of the sections and clauses that they introduce;
- (e) all references to legislation are (unless stated otherwise) references to New Zealand legislation and include all subordinate legislation, any re-enactment of, or amendment to, that legislation and all legislation passed in substitution for that legislation;
- (f) where the context permits, references to a "person" include an individual, firm, company, corporation or unincorporated body of persons, any public authority, territorial or regional council, any government, and any agency of any government or of any such authority;
- (g) references to a "party" mean a party to this agreement and any reference to a party includes the successors, executors and administrators (as the case may be) of that party.

1.3 Defined words and expressions bear the defined meaning throughout this deed including the Introduction.

2. THE LAKE TAUPO PROTECTION PROJECT

2.1 The Trustees acknowledge that the Project is the project established by the Settlers by the Project Agreement and that the constitution of the Project is as set out and described in Schedule 1 by reference to its principal elements.

2.2 The Trustees acknowledge that pursuant to the Project Agreement elements of the Project may be varied by the Settlers from time to time and that following the written notification of the Settlers to the Trustees of such variations, being a decision to which clause 22.2 shall not apply, the constitution of the Project shall be deemed to be varied and as a consequence Schedule 1 shall be varied accordingly provided that any such variation does not have the effect of altering the purposes of the Trust.

3. NAME OF TRUST

- 3.1 The name of the Trust shall be **The Lake Taupo Protection Trust** or such other name as the Trustees shall from time to time resolve to adopt for the Trust with the consent of the Settlers.

4. ESTABLISHMENT OF TRUST

- 4.1 The Settlers direct and declare, and the Trustees acknowledge, that the Trustees shall, with effect from the Operative Date, stand possessed of the Trust Fund and all income deriving from the Trust Fund for the Trust Period.

5. PURPOSES OF THE TRUST

- 5.1 The Trustees shall hold the Trust Fund upon trust to pay or apply in New Zealand the capital and income of the Trust Fund in such amounts, at such times, and subject to such terms and conditions as the Trustees, in accordance with the terms of this deed, shall decide, exclusively for all or any of the following purposes:

- (a) The maintenance of water quality in Lake Taupo through a reduction in nitrogen levels in the Lake Taupo Catchment Area, being a purpose which is a Charitable Purpose.
- (b) All things as are incidental or conducive to the attainment of the purpose described in clause 5.1(a).

- 5.2 For the avoidance of doubt:

- (a) The Trust is a CCO but has not been established for the purposes of making a profit and is not intended to be a council controlled trading organisation under the LGA'02.
- (b) The Trust's purposes are for the benefit of people in the communities surrounding Lake Taupo and of New Zealand.

- (c) The Trustees acknowledge their obligation to undertake the activities of the Trust in a manner which is not for the purpose of making a profit.

6. TRUSTEES

Number of Trustees

- 6.1 The Trustees shall number not less than six persons and not more than eight persons. If at any time there are less than six Trustees the person or persons having the power of appointment of Trustees shall act so as to increase the number of Trustees to at least six as soon as is reasonably practicable. The remaining Trustees shall be entitled to act until the number of Trustees is so increased and no act or decision of the Trustees shall be called into question on such account.

Cessation of Office of Trustee

- 6.2 A Trustee shall cease to hold office and shall be deemed to have retired if that Trustee:
 - (a) resigns by giving notice in writing to the Secretary for the time being of the Trust; or
 - (b) fails to attend three consecutive meetings of the Trustees without leave of absence, unless it appears to the other Trustees at their first meeting after the last of such absences that there is a proper reason in each instance for such non-attendance; or
 - (c) becomes of unsound mind or subject to an order under the Protection of Personal and Property Rights Act 1988 or whose property is managed by a trustee corporation under section 32 of that Act, or otherwise becomes unfit or unable to act as a Trustee; or
 - (d) becomes insolvent or commits an act of bankruptcy or is an undischarged bankrupt; or
 - (e) dies; or
 - (f) is removed from office under clause 8; or

- (g) ceases, in the opinion of the person or persons having the power of appointment of Trustees, to hold the office, skill, qualification or affiliation necessary to continue as a Trustee; or
- (h) has been convicted of a crime involving dishonesty (within the meaning of section 2(1) of the Crimes Act 1961) and has been sentenced for that crime within the last seven years; or
- (i) is convicted of an offence punishable by prison for a term of two years or more; or
- (j) has been convicted of an offence punishable by a term of imprisonment of less than two years and has been sentenced to imprisonment for that offence; or
- (k) is prohibited from being a director or promoter or being concerned or taking part in the management of a company under sections 382, 383 or 385 of the Companies Act 1993; or
- (l) is disqualified from being an officer of a charitable entity under section 31(4) of the Charities Act 2005; or
- (m) being a body corporate, is wound up, is in liquidation or receivership, or is subject to statutory management under Corporations (Investigation and Management) Act 1989.

Retirement by Rotation

- 6.3 With effect from the end of each third financial year of the Trust, commencing in 2009, one half of the Trustees, or if the number of Trustees is not an even number the number of Trustees which make up one half of the lower even number, shall retire from office .

Order of Rotation

- 6.4 The Trustees to retire in rotation under clause 6.3 shall be those who have been longest in office since their last appointment. As between Trustees who became Trustees on the same day, those to retire shall (unless they otherwise agree amongst themselves) be determined by lot. A Trustee retiring by rotation shall be eligible for reappointment.

Consequences of Retirement

- 6.5 A Trustee who has retired shall cease to be a Trustee immediately except for the purpose of carrying out the acts and deeds necessary for the proper vesting of the Trust Fund in the continuing and/or new Trustees, which acts and deeds shall be carried out at the expense of the Trust.

7. APPOINTMENT OF TRUSTEES

Signatories to be First Trustees

- 7.1 The persons named in this deed as Trustees shall be the first Trustees of the Trust.

Power of Appointment

- 7.2 The power of appointment of Trustees shall be vested in the Settlers.

Attributes of Trustees

- 7.3 The Trustees shall be appointed on the basis that they have identified skills, knowledge and/or experience based on the following attributes:
- (a) skills, knowledge and/or experience relevant to the Project;
 - (b) appreciation of the wider public interest and ability to contribute positively to the achievement of the purposes of the Trust;
 - (c) understanding of governance issues;
 - (d) high standard of personal integrity;
 - (e) time available to undertake the duties of a Trustee;
 - (f) no conflict of interest.

8. REMOVAL OF TRUSTEES

Power of Removal

8.1 A Trustee may at any time be removed as a Trustee:

- (a) by resolution of all other Trustees with the consent of the Settlers; or
- (b) by the Settlers if in the opinion of the Settlers a Trustee has been guilty of misconduct in the capacity of Trustee.
- (c) by the Settlers by their unanimous decision, being a decision to which clause 22.2 shall not apply.

Removal for Mismanagement

8.2 The Settlers may remove all Trustees from office if they consider that the Trustees have:

- (a) failed to manage the Trust in accordance with the provisions of this deed; or
- (b) failed to manage the Trust Fund in accordance with the Statement of Intent;

being in each case a failure which is significant and not inconsequential provided that the Settlers shall not remove the Trustees for mismanagement under this clause without first giving them notice of the alleged mismanagement and a reasonable and full opportunity to either refute the allegation of mismanagement or to rectify the alleged mismanagement.

Consequences of Removal

8.3 A Trustee who is removed from office shall cease to be a Trustee immediately except as to the acts and deeds necessary for the proper vesting of the Trust Fund in the continuing and/or new Trustees which acts and deeds shall be carried out at the expense of the Trust.

9. TRUSTEES' GENERAL AND SPECIFIC POWERS

Promotion of Purposes

- 9.1 The Trustees shall promote the purposes of the Trust and shall act on the Trust's behalf and in particular and in addition to all other powers conferred by law the Trustees shall have the same powers as a natural person acting as beneficial owner of the Trust Fund and such powers shall not be limited or restricted by any principle of construction or rule of law or statutory power or provision except as provided in this deed and otherwise to the extent that such is obligatory, which shall include the status of the Trust as a CCO.

Specific Powers

- 9.2 Without limiting the generality of clause 9.1 and by way of example the Trustees shall have the power, which may be exercised either alone or jointly with any other person or persons:

Collect Funds

- (a) To collect funds and raise money by all lawful means and to receive, accept, encourage and enlist financial and other contributions, subscriptions, donations, legacies, endowments or bequests from any source and to conduct fund raising campaigns in order to further the purposes of the Trust.

Receive Grants and Subsidiaries

- (b) To receive from the New Zealand Government or any local authority, board or body of the New Zealand Government or any other government, state or national body or any international organisation, any grant, subsidy or payment whatsoever in order to further the purposes of the Trust.

Specified Trust

- (c) To carry out any specified trust attaching or relating to any contribution, subscription, donation, legacy, endowment, bequest, grant, subsidy, or payment received to the extent such specified trust conforms with the purposes of the Trust.

Apply Funds

- (d) To apply any money forming part of the Trust Fund to the promotion, advancement and development of the purposes of the Trust.

Investment Funds

- (e) To invest any money forming part of the Trust Fund in any of the ways authorised by law for the investment of trust funds.

Acquire Property

- (f) To acquire any real or personal property or interest in such property, within the Lake Taupo Catchment Area, but to include property which is partly in and partly out of the Lake Taupo Catchment Area, whether by purchase, lease, exchange, or otherwise and upon and subject to such terms and conditions as the Trustees shall think fit.

Sell and Reinvest

- (g) To sell, join in selling, call in or convert all or part of any real or personal property forming part of the Trust Fund in such manner (including the granting of options to purchase or repurchase) and subject to such terms and conditions as the Trustees shall think fit (including the granting of time for payment of the purchase price with or without security) and to re-invest the proceeds of such sale, calling in or conversion in such manner as the Trustees shall think fit.

Postpone Sale

- (h) To postpone the sale of any real or personal property forming part of the Trust Fund for so long as the Trustees shall think fit notwithstanding that such property may be wasting, speculative or reversionary in nature.

Lease

- (i) To let or lease or bail to any person or persons any freehold or leasehold property or any plant and chattels or interest therein forming part of the Trust Fund either

from year to year or for any term of years or otherwise at such rent and subject to such covenants and conditions as the Trustees shall think fit (including if the Trustees shall think fit an optional or compulsory purchasing clause) and also to accept surrenders of leases and tenancies and generally to manage them as the Trustees shall think fit.

Lend

- (j) To lend any moneys forming part of the Trust Fund to any person or persons with or without security on such terms and either free of interest or at such rate of interest as the Trustees shall think fit.

Pay Debts

- (k) To apply any income or capital of the Trust Fund in, for or towards payment of any fees, costs, disbursements, debts or other liabilities or any part thereof, owing by or in respect of the Trust Fund or incurred in connection with the trusts of this deed including with respect to the establishment of the Trust and the Project, whether or not the fees, costs, disbursements, debts or other liabilities are charged upon the Trust Fund or on any part of the Trust Fund and whether or not the Trustees are contractually liable for payment of the fees, costs, disbursements, debts or other liabilities.

Join in Partition

- (l) To consent to and join in the partition of any assets in which the Trust Fund is interested and to take a transfer of a divided or undivided share or interest in any such assets.

Maintain Property

- (m) Generally to maintain, manage, repair, improve or develop any real or personal property which or an interest in which forms part of the Trust Fund in such manner as the Trustees shall think fit.

Borrow

- (n) To borrow or raise any moneys on mortgage or overdraft or otherwise with or without security from any person or persons at such rate of interest for such terms and generally on such conditions as the Trustees shall think fit and to sign any mortgage, deed, agreement or other document in connection with such borrowing or raising.

Settle Accounts

- (o) To agree and settle accounts with all persons liable to account to the Trustees and to compromise all questions relating to the Trust Fund and to grant effectual receipts, discharges and releases.

Services

- (p) Instead of acting personally, to engage, instruct and pay any person whatsoever to transact all or any business or do any act or perform any services required to be transacted or done in the execution of the trusts of this deed including the receipt and payment of money and the Trustees shall not be responsible for the default of any such person appointed in good faith or for any loss occasioned by such person's instruction. Any engagement of or instruction to any of the Settlers by the Trust to undertake services for or the business of the Trust shall be a formal engagement or instruction recorded in writing.

Bank Accounts

- (q) To open or maintain such current or other accounts at such banks or other institutions in New Zealand and in such manner as the Trustees may from time to time think fit.

Insure

- (r) To insure against loss or damage by any cause whatsoever any insurable property forming part of the Trust Fund, and to insure against any risk or liability against which it would be prudent for a person to insure if that person were acting for himself or herself for such amounts and on such terms as the Trustees may from time to time think fit.

Statutory Authorisation

- (s) In addition to the things listed at paragraphs (a) to (r), to do all or any of the things which the Trustees are authorised to do by the Trustee Act 1956, the Charitable Trusts Act 1957, the LGA'02 or the Charities Act 2005.

General

- (t) To do all such other things as in the opinion of the Trustees are incidental or conducive to the attainment of the purposes of the Trust.

Exercise Powers Independently

- 9.3 None of the powers or authorities conferred on the Trustees by clauses 9.1 and 9.2 or otherwise shall be deemed subsidiary or ancillary to any other power or authority and the Trustees shall be entitled to exercise all or any of the said powers and authorities independently of any other or others of them. In the event of any ambiguity this provision shall be construed so as to widen and not restrict the powers of the Trustees provided however that at no time can any provision be construed so as to detract from the exclusively charitable objects and purposes of the Trust.

Exercise Powers as CCO

- 9.4 The Trustees shall at all times exercise the powers and authorities conferred on them by clauses 9.1, 9.2 and 9.3 in a manner which is consistent with the status of the Trust as a CCO and in compliance with such of the provisions of the LGA'02 as are applicable to a CCO.

10. APPLICATION OF THE TRUST FUND

- 10.1 The Trustees may in any year:
 - (a) use or apply, or decide not to use or apply, all or any of the income of the Trust Fund for any of the purposes of the Trust;

- (b) use or apply any capital of the Trust Fund for all or any of the purposes of the Trust without first using or applying the whole or any portion of the income of the Trust Fund for that year; and
- (c) set aside reserves or accumulations for future use or application.

10.2 All actions of the Trustees under clause 10.1 shall at all times be subject to the provisions of this deed and shall be consistent with the powers and obligations of the Trust as a CCO.

11. ADMINISTRATION OF THE TRUST AND REPORTING

Meetings

11.1 The Trustees shall meet to conduct business at such intervals as the Trustees may decide but not less frequently than four times in each year. The Trustees may invite to such meeting whatever other person or persons as the Trustees may decide will assist with their deliberations.

Voting

11.2 Except as expressly provided otherwise by this deed any matter requiring decision at a meeting of the Trustees shall be decided by a simple majority of the Trustees personally present and voting on the matter. In the event of an equality of votes the Chairperson shall not have a second or casting vote.

Resolution in Writing

11.3 A resolution in writing signed by all the Trustees shall be as valid and effectual as if it had been passed at a meeting of the Trustees. Any such resolution may consist of several like documents each signed by one or more Trustees.

Convening Meetings

11.4 Any two Trustees may at any time give notice convening a meeting of the Trustees. Such notice shall be given by post, facsimile or email to each Trustee at their last known address, facsimile number or email address at least 14 days before the date of the

proposed meeting unless compliance with such period of notice is modified or waived by all Trustees. The notice shall state the time and place of the meeting and, in efficient terms, the nature of the business to be transacted.

Quorum

- 11.5 The quorum for a meeting of Trustees shall be one half of the Trustees then holding office or such greater number adopted from time to time by a resolution passed by at least half, but not less than three, of the Trustees then holding office.

Minutes

- 11.6 Minutes of the proceedings of all meetings of the Trustees shall be recorded in a book to be kept for that purpose by the Secretary and shall be signed by the Chairperson of the meeting at which the minutes are confirmed. Every such minute purporting to be so signed shall be prima facie evidence of the matters recorded.

Meetings by Telephone

- 11.7 The contemporaneous linking together of a quorum of the Trustees and the Secretary by telephone (which may include a voice/visual link) shall constitute a meeting of the Trustees and the provisions of this clause as to meetings of the Trustees shall apply to such meetings provided the following conditions are met:
- (a) Each Trustee shall be entitled to at least two days' notice of such a meeting by telephone and to be linked by telephone for the purposes of the meeting.
 - (b) Each of the Trustees taking part in the meeting by telephone must be able to hear each of the other Trustees taking part during the whole of the meeting.
 - (c) At the commencement and conclusion of such meeting each Trustee must acknowledge his or her presence.
 - (d) A Trustee may not withdraw from such a meeting unless that Trustee has previously obtained the express consent of the Chairperson of the meeting to do so.

- (e) A Trustee linked by telephone for the purposes of the meeting shall be conclusively presumed to have formed part of the quorum of such meeting throughout the meeting unless that Trustee obtains the express consent of the Chairperson to withdraw from such a meeting.

Minute of Proceedings

- 11.8 A minute of the proceedings of a meeting by telephone under clause 11.7 shall be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified to be a correct minute by the Chairperson of the meeting.

Annual General Meeting

- 11.9 The Trustees shall within two months of the end of each financial year of the Trust hold an annual general meeting. The Secretary of the Trust shall give no less than 30 days' notice of the annual general meeting to the Trustees and the Joint Committee. The business to be transacted at the annual general meeting shall be:
 - (a) the receipt of the audited financial statements of the Trust;
 - (b) the noting of the remuneration of the Trustees as set by the Settlers;
 - (c) the consideration and approval of a report on the Trust's operations for the previous financial year which shall include compliance with the Trust's reporting obligations as a CCO;
 - (d) the election of a Chairperson and deputy chairperson under section 12;
 - (e) special business of which notice in writing has been given to the Secretary at least 21 days prior to the date of the meeting.

The Secretary shall circulate a written agenda (including all special business) to the Trustees at least 14 days prior to the date of the meeting.

Validity of Proceedings

- 11.10 All acts done by any meeting of Trustees or by any person acting as Trustee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such Trustee or Trustees or that any Trustee was for any reason disqualified from holding office as Trustee or that there was accidental failure to comply with any of clauses 11.1 to 11.9 shall be as valid as if such Trustee had been duly appointed and was qualified to hold office as Trustee and the requirements of clauses 11.1 to 11.9, had been complied with.

Delegation of Powers

- 11.11 The Trustees may delegate to any committee of Trustees or employee or contractor to the Trust, such of the powers and functions of the Trustees as the Trustees may decide except the power to borrow or raise money or give security of whatever kind or to purchase property or to lend or advance money by whatever means and in respect of any such delegation:
- (a) any committee of Trustees or employee or contractor acting under delegated power shall act in accordance with the terms of this deed and, in the absence of proof to the contrary, shall also be presumed to be acting within the terms of the delegation;
 - (b) the Trustees may revoke wholly or partly any delegation of the powers or functions of the Trustees at any time;
 - (c) subject to any directions given by the Trustees, any committee of Trustees or employee or contractor to which any powers of the Trustees have been delegated shall conduct its affairs as that committee or employee may decide; and
 - (d) the Trustees may provide restrictions within which or rules by which such delegated powers are to be exercised.

12. OFFICERS

Chairperson

- 12.1 The Trustees shall at their first meeting after the Operative Date elect one Trustee to act as Chairperson of the Trustees until the next annual general meeting of the Trust and at that annual general meeting shall elect one Trustee to act as Chairperson until the next annual general meeting, and so forth.

Deputy Chairperson

- 12.2 The Trustees shall at the first meeting of Trustees after the Operative Date elect one Trustee to act as deputy chairperson for the same term as the Chairperson. In the absence of the Chairperson the deputy chairperson shall have and may exercise all the powers of, and shall perform all the duties, of the Chairperson.

Temporary Chairperson

- 12.3 In the absence of the Chairperson and deputy chairperson, the Trustees present shall elect one of their number to chair any meeting of the Trustees.

Secretary

- 12.4 The Trustees shall appoint a Secretary who may be a full-time or part-time employee of the Trust or may be contracted to the Trust.

13. FINANCE

Bank Account

- 13.1 The Trustees shall keep an account or accounts at such bank or banks as the Trustees may decide. Cheques, withdrawals and authorities shall be signed or endorsed, as the case may be, by such person or persons as the Trustees may decide.

Accounts and Audit

- 13.2 The Trustees shall cause financial statements for each year to be kept and audited in accordance with the requirements of section 69 LGA'02 and provided to the Joint Committee within 3 months of the end of each financial year in accordance with section 67 LGA'02.

Financial Year

- 13.3 The financial year of the Trust shall end on 30 June in each year.

Preliminary Costs and Governance Costs

- 13.4 The Trustees acknowledge that the Preliminary Costs and the Governance Costs shall be paid from the Public Fund and must not be paid from the Trust Fund.

14. STATEMENT OF INTENT AND REPORTS**Statement of Intent**

- 14.1 On or before 1 March in each year the Trustees must prepare and deliver to the Joint Committee a draft Statement of Intent and having considered any comments on such draft provided to it within two months of 1 March by the Joint Committee, the Trustees must deliver the complete Statement of Intent to the Joint Committee on or before 30 June in each year.

Reporting

- 14.2 The Trustees shall provide the following reports to the Joint Committee:
- (a) A half yearly report on the operations of the Trust during that half year within two months after the end of the first half of each financial year such report to include the information required to be included by the Statement of Intent; and

- (b) An annual report on the operations of the Trust during the financial year within three months after the end of each financial year which report must include the information required to be included by Section 67 LGA'02.

Statutory Compliance

- 14.3 The provisions of clauses 13.2, 14.1 and 14.2 are as at the Operative Date in compliance with sections 64, 66, 67 and 69 of the LGA'02. The Trust shall at all times comply with and be governed by all applicable legislation which shall be paramount and shall override the provisions of clauses 13.2, 14.1 and 14.2 provided that if there is at any time no such legislation in force the provisions of clauses 13.2, 14.1 and 14.2 shall continue to apply together with, as deemed provisions of this deed, such other applicable or supporting provisions of the LGA'02 as were in force at the Operative Date.

15. INCORPORATION AND REGISTRATION

Application

- 15.1 The Trustees shall apply to incorporate as a board under Part 2 of the Charitable Trusts Act 1957 under the name of the Trust.

Incorporation as a Board

- 15.2 Upon incorporation all the powers, discretion, obligations and duties conferred on the Trustees by this deed or by law shall be conferred upon the Trustees as a trust board.

Common Seal

- 15.3 Following incorporation the Trustees shall obtain a seal and provide for its safe custody. The seal shall be affixed by the authority of the Trustees previously given to any document requiring execution by the Trustees. Each such affixing shall be attested by two Trustees and shall be sufficient evidence of authority to affix the seal.
- 15.4 No person dealing with the Trustees shall be bound or concerned to see or enquire as to the authority to affix the seal, or to enquire as to the authority under which any document was sealed or in whose presence it was sealed.

- 15.5 The Trustees shall as soon as practicable after the execution of this deed apply for registration with the Charities Commission under the Charities Act 2005.

16. LIABILITY AND INDEMNITY OF TRUSTEES

No Liability of Trustees

- 16.1 No Trustee shall be liable for any loss to the Trust Fund unless attributable to that Trustee's own dishonesty, or to the wilful commission or omission by that Trustee of an act known by that Trustee to be a breach of trust. No Trustee shall be bound to take any proceedings against any other Trustee for any breach or alleged breach of trust committed by such Trustee.

Indemnity of Trustees

- 16.2 Each Trustee shall be entitled to a full and complete indemnity from the Trust Fund for any personal liability which that Trustee may incur in any way arising from or in connection with that Trustee acting or purporting to act as a Trustee of the Trust, unless such liability is attributable to that Trustee's own dishonesty, or to the wilful commission or omission by that Trustee of an act known by that Trustee to be a breach of trust.

17. INTERESTED TRUSTEE

Disclosure of Interest

- 17.1 Any Trustee who is or may be in any other capacity whatever interested or concerned directly or indirectly in any property or undertaking in which the Trust is or may be in any way concerned or involved shall disclose the nature and extent of that Trustee's interest to the other Trustees, and shall not take any part whatever in any deliberations of the Trustees concerning any matter in which that Trustee is or may be interested other than as a Trustee of the Trust.

Recording of Interest

- 17.2 A disclosure by an interested Trustee shall be recorded in the minutes of the meeting at which such disclosure is made. If any question shall arise at any meeting 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 that Trustee voluntarily agreeing to abstain from voting, such question shall be referred to the Chairperson and the Chairperson's ruling in relation to that Trustee shall be final and conclusive except in any case where the nature or extent of the interest of that Trustee has not been fully disclosed.

18. PECUNIARY PROFIT

No Private Pecuniary Profit

- 18.1 No private pecuniary profit may be made by any person from the Trust, except that:
- (a) any Trustee may receive such remuneration for services rendered to the Trust in the capacity of Trustee as is determined from time to time by the Settlers;
 - (b) any Trustee may receive full reimbursement for all expenses properly incurred by that Trustee in connection with the affairs of the Trust as determined from time to time by the Settlers;
 - (c) the Trust may pay reasonable remuneration to any officer or servant of the Trust (whether a Trustee or not) in return for services actually rendered to the Trust;
 - (d) any Trustee or Settlor, subject in the case of a Settlor to compliance with clause 9.2(p), may be paid all usual professional, business or trade charges for services rendered, time expended and all acts done by that Trustee or Settlor or by any firm or entity of which that Trustee or Settlor is a member, employee or associate in connection with the affairs of the Trust;
 - (e) any Trustee may retain any remuneration properly payable to that Trustee by any company or undertaking with which the Trust may be in any way concerned or involved for which that Trustee has acted in any capacity whatever, notwithstanding

that that Trustee's connection with that company or undertaking is in any way attributable to that Trustee's connection with the Trust.

Trustees to Comply with Restrictions

- 18.2 The Trustees, in determining all reimbursements, remuneration and charges payable in terms of this clause, shall ensure that the restrictions imposed by the following clause are strictly observed.

19. RESTRICTIONS ON BENEFITS TO AND INFLUENCE BY INTERESTED PERSONS

Recipients Not to Influence Benefits

- 19.1 Notwithstanding anything contained or implied in this deed, any person who is:
- (a) a Settlor or Trustee of the Trust; or
 - (b) a shareholder or director of any company carrying on any business of the Trust; or
 - (c) a settlor or trustee of any trust which is a shareholder of any company carrying on any business of the Trust; or
 - (d) an associated person (as defined by the Income Tax Act 2004) of any such settlor, trustee, shareholder or director,

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 or 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.

Professional Account and Influence

- 19.2 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 this clause 19.

- 19.3 Nothing in this clause 19 shall prevent or restrict the Trustees from properly fulfilling or carrying out the purposes of the Trust.

20. NO APPORTIONMENT

- 20.1 There shall be no apportionment as between capital and income of the Trust Fund of rents, interest, dividends, or other periodic payments for the period current to the Operative Date or for any other period current at the date upon which any interest created under the terms of this deed commences or determines.

21. OFFICE OF THE TRUST

- 21.1 The office of the Trust shall be at Taupo or such other place as the Trustees from time to time may decide.

22. DEALINGS WITH SETTLORS AND SETTLORS' DECISIONS

- 22.1 For the purposes of this deed the Trustees shall undertake all communications and conduct all their dealings with the Settlers through the Joint Committee (as is acknowledged and accepted by the Settlers) unless notified by the Settlers in writing that communications and dealings are to be conducted in some other manner.
- 22.2 All decisions of the Settlers under this deed, as defined in clause 22.3 (but excluding any decision or consent in regard to winding up required under clause 25.1 or 25.2) and unless otherwise specified in this deed, shall be exercised by the Settlers through the Joint Committee except at any time when the Joint Committee shall be deemed to be discharged or is in any way inoperative, in which event the Settlers shall make such decision through the Representative Group.
- 22.3 For the purposes of clause 22.2 "decisions of the Settlers" shall include the undertaking of any act, exercise of any power or the giving of any consent under this deed.

- 22.4 All financial statements, reports, information and notices required to be provided to the Settlers under this deed, shall be provided to the Joint Committee, except at any time when the Joint Committee shall be deemed to be discharged or in any way inoperative, in which event the financial statements, reports, information and notices shall be provided to the Representative Group.

23. ALTERATIONS OF TERMS OF DEED

- 23.1 The Trustees may, by a unanimous resolution, and with the consent of the Settlers, revoke, vary, or add to any of the provisions of this deed, provided such revocation, variation, or addition does not detract from the purposes of the Trust, or jeopardise the Trust's ability to retain its status as a charitable entity under the Charities Act 2005. For the purposes of this clause a unanimous resolution means a resolution of all persons for the time being holding office as Trustees.

24. GOVERNING LAW

- 24.1 The Trust shall be governed by and construed in accordance with the laws of New Zealand.

25. WINDING UP

Winding Up

- 25.1 The Trustees shall wind up the Trust upon the termination of the Project as notified by the Settlers to the Trustees, or at any earlier time if the Trustees decide that for any reason it is no longer practicable or desirable to carry out the purposes of the Trust, by the unanimous resolution of the Trustees with the prior unanimous consent of the Settlers.

Surplus Assets

- 25.2 On the winding up of the Trust all surplus assets, after payment of all costs, debts and liabilities shall be paid, applied or appropriated by the Trustees to or for any Charitable Purpose or purposes within the Lake Taupo Catchment Area approved and confirmed in writing by the unanimous consent of the Settlers.

Decisions of the Settlers

25.3 For the avoidance of doubt, the decisions and the consent of the Settlers under clauses 25.1 and 25.2 must be exercised by the unanimous decision of the Settlers, acting on their own account and not through either the Joint Committee or the Representative Group.

EXECUTION

SIGNED on behalf of) _____
HER MAJESTY THE QUEEN)
 acting by and through)
 the Minister for the Environment)
 in the presence of:)

 (Signature of Witness)

 (Name of Witness)

 (Occupation of Witness)

 (Address of Witness)

THE COMMON SEAL of)
WAIKATO REGIONAL COUNCIL)
 was affixed in the)
 presence of:)

 Chairman

 Chief Executive Officer

THE COMMON SEAL of)
TAUPO DISTRICT COUNCIL)
was affixed in the)
presence of:)

Mayor

Chief Executive Officer

SIGNED by)
)
SUSAN YEREX)
)
)
JOHN THOMAS KNEEBONE)
)
)
COLIN TREVOR HORTON)
)
)
JOHN ATIRAU HURA)
)
)
JEREMY JAMES RICKMAN,)
)
)
GERALD FRASER FITZGERALD)

in the presence of:

(Signature of Witness)

(Name of Witness)

(Occupation of Witness)

(Address of Witness)

SCHEDULE 1

Project

- (a) **Name.** The name of the Project is **The Lake Taupo Protection Project**.
- (b) **Objective.** The reduction of manageable nitrogen entering Lake Taupo by a minimum of 20% (such figure being based on benchmarked land use over the period July 2001 to June 2004 – see Waikato Regional Council Lake Taupo variation to the Regional Plan (Proposed 2005)).
- (c) **Strategies.** Strategies which are best suitable for achieving the above objective include but are not limited to:
 - (i) the conversion of high nitrogen leaching pastoral land into low leaching nitrogen land uses;
 - (ii) purchase of land to achieve such conversion;
 - (iii) research into identifying alternative low leaching nitrogen land uses;
 - (iv) researching and developing alternative technologies,

all as set out and provided for in the Statement of Intent.

- (d) **Funding.** The agreed monetary contributions by each of the parties to the Public Fund over the term of the Project are as set out in the Payments Schedule and will be paid according to the provisions recorded in the Funding Deed.
- (e) **Term.** The term of the Project is scheduled to be a period of 14 years commencing on 1 July 2005 and terminating on 30 June 2019 or such earlier date as the Public Fund has been fully expended and the Trust holds no assets.

SCHEDULE 2

Lake Taupo Catchment Area - Map

Map of Lake Taupo Catchment

