

Mr McAlpine

McKENZIE TRUSTS

[PRIVATE BILL]

ANALYSIS

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A BILL INTITULED

AN ACT to vary certain trusts declared by Annie May McKenzie, wife of John Robert McKenzie, of Christchurch, Knight of the British Empire, and the said John Robert McKenzie. **Title.**

WHEREAS by a certain deed of settlement dated the fifteenth day of November nineteen hundred and thirty-three (hereinafter called "the first settlement"), executed by the said Annie May McKenzie, as settlor, certain land and hereditaments were conveyed to Trustees to be held by them upon certain trusts for the benefit of the two sons of the settlor—namely, Donald Hugh McKenzie and Roy Allan McKenzie—and certain **Preamble.**

further trusts were declared to have effect in the event of neither of such sons living to attain a vested interest in the Trust Fund: And whereas by a further deed of settlement dated the twelfth day of February nineteen hundred and forty (hereinafter called "the second settlement"), executed by the said John Robert McKenzie, as settlor, certain shares were conveyed and transferred to Trustees to be held by them upon certain further trusts for the two sons of the settlor namely, the said Donald Hugh McKenzie and the said Roy Allan McKenzie and the child or children of each of them respectively—and certain substitutionary trusts of a charitable nature were directed to have effect on failure of the said trusts: And whereas by a series of trust instruments certain of the trusts declared in and by the first settlement and the second settlement were revoked and cancelled and certain other trusts were declared in lieu thereof: And whereas the said Donald Hugh McKenzie died on or about the twenty-first day of January nineteen hundred and forty-two whilst a member of the Royal New Zealand Air Force: And whereas by deed of partial revocation of trusts and declaration of new trusts dated the nineteenth day of October nineteen hundred and forty-three the trusts of the first settlement were partially revoked and cancelled pursuant to the powers reserved to the settlor and certain of the trusts of the Trust Fund were redeclared and the Trustees were directed to pay and apply the net income of the Trust Fund in and towards the maintenance, support, benefit, or advancement in life of the said Roy Allan McKenzie (hereinafter called "the life tenant") until he should attain the age of thirty years, and upon his attaining such age, upon trust, to pay the net income of the Trust Fund to him during the residue of his life, and after the death of the life tenant, upon trust, for the child or children of the life tenant who attains or attain the age of twenty-one years, and if more than one in equal shares, and it was provided that on any failure of the said trusts certain contingent trusts should have effect—namely, twenty thousand pounds should be paid or transferred to the trustees of a charitable trust created by the said John Robert McKenzie by deed dated the thirteenth day of May nineteen hundred and thirty-eight

under the name of "The J. R. McKenzie Youth Education Fund", and that the residue of the Trust Fund should be divided into four equal parts, two of which equal parts were directed to be held in trust for such of the grand nephews and grand nieces of the said John Robert McKenzie, being children of his niece Linda May Taylor and of his nephew Hugh Allen Carter, as should be living at the expiration of twenty-one years from the twenty-fifth day of June nineteen hundred and forty, one of which equal parts was directed to be paid or transferred to the Board of Trustees referred to in a certain deed of trust bearing date the twelfth day of February nineteen hundred and forty executed by the said John Robert McKenzie, under which deed certain preference shares of the nominal value of one hundred thousand pounds were transferred to Trustees and a Trust Fund of one hundred thousand pounds was created for charitable and/or educational purposes under the name of "The J. R. McKenzie Trust" (hereinafter called "The Charitable Trust"), and the remaining equal part was directed to be held for such charitable (including if thought fit) educational purpose or purposes as should be selected by the Trustees for the time being of the Trust Fund, with power to the Trustees to vary such purpose or purposes: And whereas by a further deed of partial revocation of trusts and declaration of new trusts dated the said nineteenth day of October nineteen hundred and forty-three the trusts of the second settlement were partially revoked and cancelled pursuant to the powers reserved to the settlor, and certain of the trusts of the Trust Fund were redeclared and the Trustees thereunder were directed to pay and apply the net income of the Trust Fund for the benefit of the life tenant until he should attain the age of twenty-five years, and upon his attaining such age to pay such net income to him during the residue of his life, and after his death to hold the Trust Fund for the child or children of the life tenant who attains or attain the age of twenty-one years, and if more than one in equal shares; and it was provided that on any failure of the said trusts certain contingent trusts should have effect: And whereas such contingent trusts were declared in a form similar to those declared in respect to the first settlement save and except that no further provision was made for the J. R. McKenzie Youth Education Fund: And whereas

the trusts of the charitable trust were varied by a private Act intituled the J. R. McKenzie Trust Act 1947: And whereas the life tenant is now entitled to enjoyment of the income of the first and second settlements for his lifetime, but the ultimate destination of the trust funds cannot be ascertained and it is desirable that all doubts with respect thereto should be removed and that all contingent interests in the trust funds should be defined and converted into vested interests, and accordingly that the said trusts should be varied and redeclared, and it is desired that certain new trusts should be declared in respect of the trust funds: And whereas it is proposed that a company limited by shares (hereinafter referred to as "the Staff Fund Company") be incorporated under the provisions of the Companies Act 1933 having as its name "McKenzies Staff Provident Association, Limited", and having as its principal objects the establishment and support and the aiding of associations, institutions, funds, trusts, amenities, and conveniences for the benefit of employees or ex-employees of the companies known as J. R. McKenzie, Limited, McKenzies Department Stores, Limited, or any subsidiary of such companies or the dependants of such persons: And whereas all persons *sui juris* and interested in the trust funds, whether beneficially or otherwise, have consented to the proposed variation and redeclaration of the said trusts and to the creation of the proposed new trusts: And whereas the investments of the Trust Funds comprise shares in the capital of the company limited by shares and known as Rangatira Pty., Limited (hereinafter called "the Rangatira Company"), the nominal capital of which is one million five hundred and ninety-one thousand pounds divided into one million five hundred and ninety-one thousand shares of one pound each, including three hundred and ninety-one thousand shares in respect to which nothing has been paid up: And whereas it is desirable that such nominal capital should be reduced by the cancellation of such three hundred and ninety-one thousand unpaid shares, whereupon such nominal capital will amount to the sum of one million two hundred thousand pounds divided into ten thousand redeemable preference shares of one pound each (also called "Management shares") and one million one hundred and ninety thousand

ordinary shares of one pound each called "A" and "B" shares: And whereas the rights, powers, and privileges attached to the respective classes of shares are set forth in certain special resolutions bearing date the thirtieth
 5 day of November nineteen hundred and fifty-three, copies of which have been lodged in the office of the Assistant Registrar of Companies at Wellington and form part of the articles of association of the Rangatira Company: And whereas the Trustees of the charitable trust have
 10 agreed to accept an allotment of five hundred and sixty-six thousand "B" shares of one pound each in lieu of the one hundred thousand preference shares of one pound each comprising the capital of the trust fund of the charitable trust: And whereas by reason of the
 15 increase in capital of the Trust Fund it is desirable that the provisions of the deed creating the charitable trust should be further varied and amended in the manner hereinafter set forth: And whereas the above objects and powers cannot be attained except by legislation:

20 BE IT THEREFORE ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:

1. This Act may be cited as the McKenzie Trusts Act 1954. Short title.
- 25 2. All and singular the trusts declared in and by the first settlement and the second settlement are hereby revoked and cancelled and shall be of no effect as from the date of the passing of this Act. Revocation of trusts.
- 30 3. In lieu of the trusts for the life tenant declared in and by the first settlement and the second settlement three hundred thousand "A" shares numbered 1021001 to 1321000 inclusive in the capital of the Rangatira Company are by this Act vested in the life tenant. Interest of life tenant defined.
- 35 4. In lieu of the trusts for the child or children of the life tenant declared in and by the first settlement and the second settlement one hundred thousand "A" shares numbered 1321001 to 1421000 inclusive in the capital of the Rangatira Company are by this Act vested in the said
 40 Roy Allan McKenzie, Hugh Allen Carter, registered accountant, and Richard John Nankervis, public accountant, both of Wellington, to be held by them jointly upon and subject to the trusts declared in the first part of the Schedule hereto (therein named "The McKenzie Family Trust"). Interests of children of life tenant defined.

Interests of
Taylor family
defined.

5. In lieu of the trusts for the child or children of Linda May Taylor declared in and by the first settlement and the second settlement eighty thousand "A" shares numbered 1421001 to 1501000 inclusive in the capital of the Rangatira Company are by this Act vested in the said Linda May Taylor, her husband William Gee Taylor, the said Hugh Allen Carter and the said Roy Allan McKenzie to be held by them jointly upon and subject to the trusts declared in the second part of the Schedule hereto (therein named "the Taylor Family Trust"). 5 10

Interests of
Carter family
defined.

6. In lieu of the trusts for the children of Hugh Allen Carter declared in and by the first settlement and the second settlement eighty thousand "A" shares numbered 1501001 to 1581000 inclusive in the capital of the Rangatira Company are by this Act vested in the said Hugh Allen Carter and Roy Allan McKenzie to be held by them jointly upon and subject to the trusts declared in the third part of the Schedule hereto (therein named "the Carter Family Trust"). 15

Interests of
J. R. McKenzie
Youth
Education Fund
defined.

7. In lieu of the trusts for the J. R. McKenzie Youth Education Fund declared in and by the first settlement sixteen thousand "B" shares numbered 1 to 16000 inclusive in the capital of the Rangatira Company are by this Act vested in the Trustees for the time being of such Fund to be held by them jointly upon and subject to the trusts of the said deed of the thirteenth day of May nineteen hundred and thirty-eight, as varied and added to by a supplementary deed dated the first day of December nineteen hundred and fifty-three, copies of which said deeds are directed to be deposited in the office of the District Land Registrar at Wellington as if they were deeds of trust authorized to be so deposited by subsection two of section one hundred and twenty-eight of the Land Transfer Act 1952. 20 25 30

New Trust
for benefit of
employees of
J. R. McKenzie,
Ltd.

8. Forty-eight thousand "B" shares numbered 16001 to 64000 inclusive in the capital of the Rangatira Company are by this Act vested in McKenzies Staff Provident Association, Limited, to be held by such company for the furtherance of the objects contained in the memorandum of association of such company. 35 40

Variation of
and increase
in Trust
Fund of
J. R. McKenzie
Trust.

9. Five hundred and sixty-six thousand "B" shares numbered 64001 to 409000 and 800001 to 1021000 inclusive in the capital of the Rangatira Company are by this Act vested in the personal trustees of the charitable trust in

lieu of the one hundred thousand preference shares comprising the capital of the Trust Fund of the charitable trust, to be held by such personal trustees jointly upon and subject to the trusts declared in and
 5 by the said deed of the twelfth day of February nineteen hundred and forty as amended by the J. R. McKenzie Trust Act 1947 and as further amended by this Act.

10 **10.** Section two of the J. R. McKenzie Trust Act 1947 is accordingly amended:

Amendment of
 J. R. McKenzie
 Trust Act 1947.

10 (a) By repealing the words thereof from the words
 “be empowered to divide” to the words
 “such four equal parts” (where the last-
 mentioned phrase is first used in the said
 15 section two), and substituting the following
 words: “use and apply the net annual income
 of the trust funds within the Dominion of New
 Zealand for the following purposes, or for
 such one or more of those purposes, to the
 20 exclusion of the others or other of them, and
 in such sums or proportions, as the Board of
 Trustees may from time to time in its absolute
 discretion think fit, namely:—”:

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25 (b) By repealing all the words thereof following the
 words “seventeen years if thought fit”, and
 substituting the following words: “(iv) For
 any charitable or educational purpose or pur-
 poses from time to time selected by the Board
 of Trustees”.

30 **11.** That the nominal capital of the Rangatira Com-
 pany is by this Act reduced from the sum of one million
 five hundred and ninety-one thousand pounds divided
 into ten thousand redeemable preference shares of one
 pound each and one million five hundred and eighty-one
 35 thousand ordinary shares of one pound each to the
 sum of one million two hundred thousand pounds by
 the cancellation of three hundred and ninety-one thou-
 sand ordinary shares numbered 409001 to 800000
 inclusive in respect to which no sum has been paid up,
 and the Assistant Registrar of Companies at Wellington
 40 is directed to register particulars of such reduction of
 capital as if an order of Court confirming such reduction
 and a minute of reduction were produced to him for
 registration under section seventy of the Companies Act
 1933.

Reduction of
 capital of
 Rangatira
 Pty., Ltd.

45 **12.** This Act is hereby declared to be a private Act.

Private Act.

THE SCHEDULE (FIRST PART)

THE MCKENZIE FAMILY TRUST

Trustees.	The first Trustees shall be the said Roy Allan McKenzie, Hugh Allen Carter of Wellington, Registered Accountant and Richard John Nankervis of Wellington, Public Accountant.
Definition of Trustees.	The term " Trustees " when used herein shall where the context admits include the survivors or survivor of them their and his executors and administrators and their or his assigns and other the persons or person or body corporate for the time being acting in the trusts hereof
Recitals.	Whereas the said Roy Allan McKenzie has living one son namely Peter McKenzie who was born on the 10th day of September, 1952.
Declaration of Trust.	The Trustees shall hold the said 100,000 " A " Ordinary shares in the capital of the Rangatira Company which shares are Nod. 1321001 to 1421000 both inclusive (hereinafter referred to as " the said shares ") upon trust that the Trustees at such time or times as they shall in their absolute discretion think fit subject to the provisions of the Articles of Association of the said Company shall sell the said shares or such of them as may remain unsold either together or in parcels and either by public auction or private contract and either with or without any special or other stipulations as to title and payment of purchase money and so that the Trustees may buy in and rescind or vary any contract for sale and resell without being answerable for any loss occasioned thereby and may for the purposes aforesaid or any of them execute and do all such assurances and things as they shall think fit and shall by and out of the monies which shall arise from any such sale as aforesaid pay the expenses incurred in or about the same or otherwise in or about the execution of any of the trusts or powers of these presents and shall stand possessed of the residue of the said monies and also any of the said shares which for the time being shall remain unsold and the income and return from time to time arising therefrom (the whole being hereinafter referred to as " the Trust Fund ") upon trust to invest the Trust Fund in manner hereinafter authorized and from time to time to vary such investments and upon trust to pay all expenses incurred in the management and administration of the trusts created by these presents and apply the net income of the Trust Fund or such part thereof as the Trustees shall consider expedient in or towards the maintenance support benefit or advancement in life of the said Peter McKenzie and all other children of the said Roy Allan McKenzie (whether hereafter naturally born to him or hereafter adopted by him) all of whom are collectively referred to as " the Beneficiaries " as a class until the arrival of a point of time (hereinafter called " the date of distribution ") when the eldest or elder of such children or the child if only one shall have attained the age of 21 years or when none of them is still alive and
Authorized investments.	
Trust for maintenance, etc.	
Date of distribution.	

THE SCHEDULE (FIRST PART)—*continued*

under that age and upon the arrival of the date of distribution upon trust to hold the Trust Fund and any accumulated income for the Beneficiaries then living so that each child being male shall take a share double the amount of the share of each child being female. Provided nevertheless that the share of the Trust Fund and any income to which any Beneficiary for the time being under the age of 21 years shall be contingently entitled at the date of distribution shall be retained by the Trustees upon and subject to the trusts hereof (or so much of such trusts as shall at the date of distribution be subsisting and capable of taking effect) until such Beneficiary shall attain the age of 21 years. And that pending the happening of such event the Trustees may apply the whole or any part of the net income and such portion of the capital of the share of each such Beneficiary as they may in their absolute discretion think fit in and towards the maintenance support or advancement in life of each such Beneficiary with power to pay the same to any guardian or other person without being obliged to see to the application thereof and that should any of the Beneficiaries die before attaining a vested interest in possession leaving a child or children who survives him or her and attains or attain the age of 21 years then and in such case such last mentioned child or children shall take (and if more than one in equal shares) the share which any of them so dying would have taken had he or she attained such vested interest in possession and that if the trusts hereinbefore declared shall fail by reason of there being no person entitled under the foregoing trusts who attains the age of 21 years the Trustees shall hold the Trust Fund and the income therefrom or so much thereof respectively as shall not have become vested or been applied under any of the trusts or powers hereof or under any statutory power upon trust for the wife of the said Roy Allan McKenzie or as she may by deed or will appoint.

Shares of males and females.

Direction to retain share until Beneficiary 21.

Power to apply income and capital.

Children to take parent's share.

Provisions on failure of trusts.

Trustee's powers.

The following further provisions shall have effect namely:—

1. The trustees may resort to any accumulations of income for any preceding year or years and apply the same in the same manner as such accumulations might have been applied had they been income arising in the year in which they shall be so applied.

Accumulations.

2. The trustees may invest any money for the time being subject to the trusts hereof in such investments as the Trustees may from time to time think fit whether or not the same shall be authorised by statute for the investment of Trust Funds and with or without security and with or without interest.

Investments.

3. By way of amplification of the power of investment hereinbefore contained the Trustees shall have power to acquire any real or personal property of any kind whatsoever at such price and subject to such terms and conditions as to payment of purchase money and otherwise as they shall think fit and may

Amplification of power of investments.

THE SCHEDULE (FIRST PART)—*continued*

arrange life and endowment policies and execute any mortgage charge pledge lien or other security or any variation or renewal thereof over or in respect of any real or personal property for the time being subject to the trusts hereof either alone or jointly with any other person or persons and may borrow money on the security thereof for any purpose or purposes whatsoever with interest at such rate (or without interest) and upon and subject to such conditions and stipulations as the Trustees in their absolute discretion shall think fit it being intended that in respect to any real or personal property for the time being subject to the trusts hereof the Trustees shall have all the powers of absolute owners and no person or corporation accepting any such security as aforesaid or advancing any money on any such security shall be concerned to inquire as to the regularity or otherwise of the transaction or the application of any such money.

Advancement.

4. The trustees may advance any sum forming part of the Trust Fund to any Beneficiary for his or her advancement preferment or benefit as the Trustees in their absolute discretion may think proper and may from time to time raise on mortgage on the security of the Trust Fund or any part thereof or by way of guarantee Bank Overdraft or otherwise howsoever any sum or sums of money that may reasonably be required for any such purpose.

Power to compromise.

5. It shall be lawful for the Trustees to compromise or compound any action suit proceedings defence or demand relating to the trust premises or any of them upon any terms as they shall think proper and refer any such difference or demand to arbitration and to execute and do all instruments and things expedient for such purposes or any of them and to abandon or relinquish any claim relating to the trust premises or any of them as they shall think fit and to determine whether any money shall for the purposes of these presents be considered annual income or otherwise and to execute and to do all releases and things relating to the trust premises as fully and absolutely as they could do if they were the absolute owners of the trust premises and without being answerable for any loss occasioned thereby.

Indemnity to Trustees.

6. The trustees shall be respectively chargeable only for such monies and securities as they shall respectively actually receive notwithstanding their respectively signing any receipt for the sake of conformity and shall respectively be answerable and responsible only for their own respective acts receipts omissions neglects and defaults and not for those of each other nor for any banker broker auctioneer or other person with whom or into whose hands any trust monies or securities shall be deposited or come nor for purchasing or lending on the security of any hereditament nor for any other loss unless the same shall happen through their own wilful default respectively and the Trustees may reimburse themselves or pay and discharge out of the trust premises all expenses incurred in or about the execution of the trusts or powers of these presents and shall be entitled to reimbursement or indemnity in respect of all

THE SCHEDULE (FIRST PART)—*continued*

liabilities incurred or to be incurred in the premises out of trust fund and from any person sui juris who is beneficially entitled thereto or any part thereof and from and against all liabilities which the Trustees may incur by reason of entering into any mortgage charge pledge lien or other security as hereinbefore declared.

7. The Trustees shall not be bound in any case to act personally but shall be at full liberty to employ a Solicitor or any other agent to transact all or any business of whatsoever nature required to be done in the premises (including the receipt and payment of money) but not involving the exercise of any discretion and shall be entitled to be allowed and paid all charges and expenses so incurred and shall not be responsible for the default of any such Solicitor or agent or any loss occasioned by his employment and further that any Trustee for the time being under these presents being an accountant or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional or other charges for business done by him or his firm in relation to the execution of the trusts of these presents whether in the ordinary course of his profession or business or not and although not of a nature requiring the employment of an Accountant or other professional person.

Power for
Trustees to
delegate.

8. The Trustees may appropriate any part or parts of the Trust Fund in or towards satisfaction of any share or shares whether vested or contingent to which any person or persons may be entitled in the Trust Fund and for that purpose may make or cause to be made a valuation or valuations of the Trust Fund or any part or parts thereof (including any property which may have been appointed or advanced under any statutory or other powers or any part or parts thereof or any interest therein) as the Trustees may deem necessary and every such appropriation including such valuation (if made) shall be conclusive and binding on all parties claiming under these presents.

Appropriation.

9. The power of appointing new Trustees of the Trust Fund shall be vested in the said Roy Allan McKenzie during his life and he shall also have power from time to time to increase the number of Trustees and he may by his will or any codicil thereto declare that the appointment of all or any of the Trustees for the time being shall cease as from the date of his death and may by such will or codicil appoint new Trustees or a new Trustee of the Trust Fund to act in the trusts thereof as from the date of his death and upon every change of Trustees the Trust property shall (if and so far as the nature of the property and other circumstances shall require or admit) be transferred so that the same may be vested in the Trustees or Trustee for the time being.

Power to appoint
new Trustees.

10. During such time as any shares in any incorporated company shall be registered in the names of the Trustees the said Roy Allan McKenzie shall so long during his lifetime as he so desires be named first in the share register of the Company

Shares in
incorporated
companies.

THE SCHEDULE (FIRST PART)—*continued*

so as to secure to him the right of voting in respect of such shares and he may at any time and from time to time appoint any other one of the Trustees to be so named first and from time to time revoke any such appointment and substitute the name of any other one of the Trustees and in addition he may by his Will or any codicil thereto appoint any other person to be so named first in such share register as from the date of his death.

Power to act on Counsel's opinion.

11. The Trustees shall have power to take and act upon the opinion of Counsel whether in relation to the interpretation of these presents or any other document or any statute or as to the administration of the Trust Fund without being liable to any person beneficially interested in respect to any act done by them in accordance with such opinion. Provided nevertheless that nothing in this clause contained shall prohibit the Trustees from applying to the Court if they should think fit or shall prohibit any beneficiary whether absolutely presumptively or contingently entitled to a share of the Trust Fund from so doing.

THE SCHEDULE—*continued* (SECOND PART)

THE TAYLOR FAMILY TRUST

First Trustees.	THE first Trustees shall be the said Linda May Taylor, her husband William Gee Taylor, the said Hugh Allen Carter and the said Roy Allan McKenzie.
Definition of Trustees.	The term " Trustees " when used herein shall where the context admits include the survivors or survivor of them their and his executors and administrators and their or his assigns and other the persons or person or body corporate for the time being acting in the trusts hereof.
Recitals.	Whereas the said Linda May Taylor has living four children namely Dawn Rewa who was born on the 19th day of December, 1930 June Constance who was born on the 15th day of June, 1933 John William who was born on the 25th day of June, 1940 and Joy Ann who was born on the 20th day of April, 1944.
Declaration of Trust.	The Trustees shall hold the said 80,000 " A " Ordinary shares in the capital of the Rangatira Company which shares are Nod. 1421001 to 1501000 inclusive (hereinafter referred to as
Trust for sale.	" the said shares ") upon trust that the Trustees at such time or times as they shall in their absolute discretion think fit but subject to the provisions of the Articles of Association of the said Company shall sell the said shares or such of them as may remain unsold either together or in parcels and either by public auction or private contract and either with or without any special or other stipulations as to title and payment of purchase money and so that the Trustees may buy in and reseind or vary any contract for sale and resell without being answerable for any loss occasioned thereby and may for the purposes aforesaid or any of them execute and do all such assurances and things as they shall think fit AND shall by and out of the monies which

THE SCHEDULE—*continued* (SECOND PART)—*continued*

shall arise from any such sale as aforesaid pay the expenses incurred in or about the same or otherwise in or about the execution of any of the trusts or powers of these presents and shall stand possessed of the residue of the said monies and also any of the said shares which for the time being shall remain unsold and the income and return from time to time arising therefrom (the whole being hereinafter referred to as "The Trust Fund") upon trust to invest the Trust Fund in manner hereinafter authorized and from time to time to vary such investments and upon trust to pay all expenses incurred in the management and administration of the trusts created by these presents and apply the net income of the Trust Fund or such part thereof as the Trustees shall consider expedient in or towards the maintenance support benefit or advancement in life of the said Dawn Rewa Taylor, June Constance Taylor, John William Taylor and Joy Ann Taylor and all other children of the said Linda May Taylor born hereafter (hereinafter called "the Beneficiaries") as a class until the 25th day of June, 1961 on which date the said John William Taylor if living will attain the age of 21 years and which date (whether or not the said John William Taylor shall then be living) is fixed as and is hereinafter referred to as "the date of distribution" and upon the arrival of the date of distribution upon trust to hold the Trust Fund and any accumulated income for the Beneficiaries then living who shall have attained or shall thereafter attain the age of 21 years in equal shares share and share alike Provided nevertheless that the share of the Trust Fund and any income to which any Beneficiary for the time being under the age of 21 years shall be contingently entitled at the date of distribution shall be retained by the Trustees upon and subject to the trusts hereof (or so much of such trusts as shall at the date of distribution be subsisting and capable of taking effect) until such Beneficiary shall attain the age of 21 years. And pending the happening of such event the Trustees may apply the whole or any part of the net income and such portion of the capital of the share of each such Beneficiary as they may in their absolute discretion think fit in and towards the maintenance support or advancement in life of each such Beneficiary with power to pay the same to any guardian or other person without being obliged to see to the application thereof and that should any of the Beneficiaries die before attaining a vested interest in possession leaving a child or children who survives him or her and attains or attain the age of 21 years then and in such case such last mentioned child or children shall take (and if more than one in equal shares) the share which any of them so dying would have taken had he or she attained such vested interest in possession and that if the trusts hereinbefore declared shall fail by reason of there being no person entitled under the foregoing trusts who attains the age of 21 years the Trustees shall hold the Trust Fund and the income therefrom or so much thereof respectively as shall not have become vested or been applied under any of

Authorized investments.

Trust for maintenance.

Beneficiaries.

Date of distribution.

Direction to retain share until Beneficiary 21.

Children take parent's share.

Provision on failure of trusts.

THE SCHEDULE—*continued* (SECOND PART)—*continued*

the trusts or powers hereof or under any statutory power upon trust for the husband of the said Linda May Taylor or as he may by deed or will appoint.

The following further provisions shall have effect namely:—

Trustees powers
Accumulations.

1. The Trustees may resort to any accumulations of income for any preceding year or years and apply the same in the same manner as such accumulations might have been applied had they been income arising in the year in which they shall be so applied.

Investments.

2. The Trustees may invest any money for the time being subject to the trusts hereof in such investments as the Trustees may from time to time think fit whether or not the same shall be authorised by statute for the investment of Trust Funds and with or without security and with or without interest.

Amplification
of power of
investment.

3. By way of amplification of the power of investment hereinbefore contained the Trustees shall have power to acquire any real or personal property of any kind whatsoever at such price and subject to such terms and conditions as to payment of purchase money and otherwise as they shall think fit and may arrange life and endowment policies and execute any mortgage charge pledge lien or other security or any variation or renewal thereof over or in respect of any real or personal property for the time being subject to the trusts hereof either alone or jointly with any other person or persons and may borrow money on the security thereof for any purpose or purposes whatsoever with interest at such rate (or without interest) and upon and subject to such conditions and stipulations as the Trustees in their absolute discretion shall think fit it being intended that in respect to any real or personal property for the time being subject to the trusts hereof the Trustees shall have all the powers of absolute owners and no person or corporation accepting any such security as aforesaid or advancing any money on any such security shall be concerned to inquire as to the regularity or otherwise of the transaction or the application of any such money.

Advancement.

4. The Trustees may advance any sum forming part of the Trust Fund to any Beneficiary for his or her advancement preferment or benefit as the Trustees in their absolute discretion may think proper and may from time to time raise on mortgage on the security of the Trust Fund or any part thereof or by way of guarantee Bank Overdraft or otherwise howsoever any sum or sums of money that may reasonably be required for any such purpose.

Power to
compromise.

5. It shall be lawful for the Trustees to compromise or compound any action suit proceedings defence or demand relating to the trust premises or any of them upon any terms as they shall think proper and refer any such difference or demand to arbitration and to execute and do all instruments and things expedient for such purposes or any of them and to abandon or relinquish any claim relating to the trust premises or any of them as they shall think fit and to determine whether any money shall for the purposes of these presents be considered annual income or otherwise and to execute and to do all releases

THE SCHEDULE—*continued* (SECOND PART)—*continued*

and things relating to the trust premises as fully and absolutely as they could do if they were the absolute owners of the trust premises and without being answerable for any loss occasioned thereby.

6. The Trustees shall be respectively chargeable only for such monies and securities as they shall respectively actually receive notwithstanding their respectively signing any receipt for the sake of conformity and shall respectively be answerable and responsible only for their own respective acts receipts omissions neglects and defaults and not for those of each other nor for any banker broker auctioneer or other person with whom or into whose hands any trust monies or securities shall be deposited or come nor for purchasing or lending on the security of any hereditament nor for any other loss unless the same shall happen through their own wilful default respectively and the Trustees may reimburse themselves or pay and discharge out of the trust premises all expenses incurred in or about the execution of the trusts or powers of these presents and shall be entitled to reimbursement or indemnity in respect of all liabilities incurred or to be incurred in the premises out of trust funds and from any person sui juris who is beneficially entitled thereto or any part thereof and from and against all liabilities which the Trustees may incur by reason of entering into any mortgage charge pledge lien or other security as hereinbefore declared.

Indemnity to Trustees.

7. The Trustees shall not be bound in any case to act personally but shall be at full liberty to employ a Solicitor or any other agent to transact all or any business of whatsoever nature required to be done in the premises (including the receipt and payment of money) but not involving the exercise of any discretion and shall be entitled to be allowed and paid all charges and expenses so incurred and shall not be responsible for the default of any such solicitor or agent or any loss occasioned by his employment and further that any Trustee for the time being under the presents being an accountant or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional or other charges for business done by him or his firm in relation to the execution of the trusts of these presents whether in the ordinary course of his profession or business or not and although not of a nature requiring the employment of an Accountant or other professional person.

Power to Trustees to delegate.

8. The Trustees may appropriate any part or parts of the Trust Fund in or towards satisfaction of any share or shares whether vested or contingent to which any person or persons may be entitled in the Trust Fund and for that purpose may make or cause to be made a valuation or valuations of the Trust Fund or any part or parts thereof (including any property which may have been appointed or advanced under any statutory or other powers or any part or parts thereof or any interest therein) as the Trustees may deem necessary and every such appropriation including such valuation (if made) shall be conclusive and binding on all parties claiming under these presents.

Appropriation.

THE SCHEDULE—*continued* (SECOND PART)—*continued*

Power to appoint new Trustees.

9. The power of appointing new Trustees of the Trust Fund shall be vested in the said Linda May Taylor during her life and she shall also have power from time to time to increase the number of Trustees and she may by her will or any codicil thereto declare that the appointment of all or any of the Trustees for the time being shall cease as from the date of her death and may by such will or codicil appoint new Trustees or a new Trustee of the Trust Fund to act in the trusts thereof as from the date of her death and upon every change of Trustees the Trust property shall (if and so far as the nature of the property and other circumstances shall require or admit) be transferred so that the same may be vested in the Trustees or Trustee for the time being.

Shares in incorporated companies.

10. During such time as any shares in any incorporated company shall be registered in the names of the Trustees the said Linda May Taylor shall so long during her lifetime as she so desires be named first in the share register of the Company so as to secure to her the right of voting in respect of such shares and she may at any time and from time to time appoint any other one of the Trustees to be so named first and from time to time revoke any such appointment and substitute the name of any other one of the Trustees and in addition she may by her will or any codicil thereto appoint any other person to be so named first in such share register as from the date of her death.

Power to act on Counsel's opinion.

11. The Trustees shall have power to take and set upon the opinion of Counsel whether in relation to the interpretation of these presents or any other document or any statute or as to the administration of the Trust Fund without being liable to any person beneficially interested in respect to any act done by them in accordance with such opinion. Provided nevertheless that nothing in this clause contained shall prohibit the Trustees from applying to the Court if they should think fit or shall prohibit any beneficiary whether absolutely presumptively or contingently entitled to a share of the Trust Fund from so doing.

THE SCHEDULE—*continued* (THIRD PART)

THE CARTER FAMILY TRUST

First Trustees.

THE first Trustees shall be the said Hugh Allen Carter and Roy Allan McKenzie of Wellington, Company Director.

Definition of Trustees.

The term "Trustees" when used herein shall where the context admits include the survivors or survivor of them their and his executors and administrators and their or his assigns and other the persons or person or body corporate for the time being acting in the trusts hereof

Recitals.

Whereas the said Hugh Allen Carter has living two children namely Sally Pauline Carter who was born on the 16th day of April, 1949 and Gillian Elizabeth Carter who was born on the 13th day of May, 1951.

THE SCHEDULE—*continued* (THIRD PART)—*continued*

The Trustees shall hold the said 80,000 "A" shares in the capital of the Rangatira Company which shares are Nod. 1501001 to 1581000, inclusive (hereinafter referred to as "the said shares") upon trust that the Trustees at such time or times as they shall in their absolute discretion think fit but subject to the provisions of the Articles of Association of the said Company shall sell the said shares or such of them as may remain unsold either together or in parcels and either by public auction or private contract and either with or without any special or other stipulations as to title and payment of purchase money and so that the Trustees may buy in and rescind or vary any contract for sale and resell without being answerable for any loss occasioned thereby and may for the purposes aforesaid or any of them execute and do all such assurances and things as they shall think fit And shall by and out of the monies which shall arise from any such sale as aforesaid pay the expenses incurred in or about the same or otherwise in or about the execution of any of the trusts or powers of these presents and shall stand possessed of the residue of the said monies and also any of the said shares which for the time being shall remain unsold and the income and return from time to time arising therefrom (the whole being hereinafter referred to as "the Trust Fund") upon trust to invest the Trust Fund in manner hereinafter authorized and from time to time to vary such investments and upon trust to pay all expenses incurred in the management and administration of the trusts created by these presents and apply the net income of the Trust Fund or such part thereof as the Trustees shall consider expedient in or towards the maintenance support benefit or advancement in life of the said Sally Pauline Carter and Gillian Elizabeth Carter and all other children of the said Hugh Allen Carter whether hereafter naturally born to him or hereafter adopted by him (hereinafter collectively called "the Beneficiaries") until the 16th day of April, 1974 on which date the elder of them namely the said Sally Pauline Carter (if living) will attain the age of 25 years and which date is fixed as and is hereinafter referred to as "the date of distribution" and upon the arrival of the date of distribution upon trust to hold the Trust Fund and any accumulated income for the Beneficiaries then living who shall have attained or shall thereafter attain the age of 21 years in equal shares share and share alike so that the share of the Trust Fund and any income to which any Beneficiary for the time being under the age of 25 years shall be contingently entitled at the date of distribution shall be retained by the Trustees upon and subject to the trusts hereof (or so much of such trusts as shall at the date of distribution be subsisting and capable of taking effect) until such Beneficiary shall attain the age of 25 years. And that pending the happening of such event the Trustees may apply the whole or any part of the net income and

Declaration of Trust.

Trust for sale.

Authorized investments.

Trust for maintenance, etc.

Beneficiaries.

Date of distribution.

Direction to retain share until Beneficiary 21.

Power to apply income and capital.

THE SCHEDULE—*continued* (THIRD PART)—*continued*

Children to take Parent's share.	<p>such portion of the capital of the share of each such Beneficiary as they may in their absolute discretion think fit in and towards the maintenance support or advancement in life of each such Beneficiary with power to pay the same to any guardian or other person without being obliged to see to the application thereof Provided always that should any of the Beneficiaries die before attaining a vested interest in possession leaving a child or children who survives her or him and attains or attain the age of 25 years then and in such case such last mentioned child or children shall take (and if more than one in equal shares) the share which any of them so dying would have taken had she or he attained such vested interest in possession and that if the trusts hereinbefore declared shall fail by reason of there being no person entitled under the foregoing trusts the Trustees shall hold the Trust Fund and the income therefrom or so much thereof respectively as shall not have become vested or been applied under any of the trusts or powers hereof or under any statutory power upon trust for such person or persons or charitable or educational objects as the Trustees or Trustee may in the exercise of an absolute discretion by deed appoint. The following further provisions shall have effect namely:—</p> <p>1. The Trustees may resort to any accumulations of income for any preceding year or years and apply the same in the same manner as such accumulations might have been applied had they been income arising in the year in which they shall be so applied.</p> <p>2. The Trustees may invest any money for the time being subject to the trusts hereof in such investments as the Trustees may from time to time think fit whether or not the same shall be authorised by statute for the investment of Trust Funds and with or without security and with or without interest.</p> <p>3. By way of amplification of the power of investment hereinbefore contained the Trustees shall have power to acquire any real or personal property of any kind whatsoever at such price and subject to such terms and conditions as to payment of purchase money and otherwise as they shall think fit and may arrange life and endowment policies and execute any mortgage charge pledge lien or other security or any variation or renewal thereof over or in respect of any real or personal property for the time being subject to the trusts hereof either alone or jointly with any other person or persons and may borrow money on the security thereof for any purpose or purposes whatsoever with interest at such rate (or without interest) and upon and subject to such conditions and stipulations as the Trustees in their absolute discretion shall think fit it being intended that in respect to any real or personal property for the time being subject to the trusts hereof the Trustees shall have all the powers of absolute owners and no person or corporation accepting any such security as aforesaid or advancing any money on any such security shall be concerned to inquire as to the regularity or otherwise of the transaction or the application of any such money.</p>
Provision on failure of trusts	
Trustees powers Accumulations.	
Investments.	
Amplification of power of investment.	

THE SCHEDULE—*continued* (THIRD PART)—*continued*

4. The Trustees may advance any sum forming part of the Trust Fund to any Beneficiary for his or her advancement preferment or benefit as the Trustees in their absolute discretion may think proper and may from time to time raise on mortgage on the security of the Trust Fund or any part thereof or by way of guarantee Bank overdraft or otherwise howsoever any sum or sums of money that may reasonably be required for any such purpose.

Advancement.

5. It shall be lawful for the Trustees to compromise or compound any action suit proceedings defence or demand relating to the trust premises or any of them upon any terms as they shall think proper and refer any such difference or demand to arbitration and to execute and do all instruments and things expedient for such purposes or any of them and to abandon or relinquish any claim relating to the trust premises or any of them as they shall think fit and to determine whether any money shall for the purposes of these presents be considered annual income or otherwise and to execute and to do all releases and things relating to the trust premises as fully and absolutely as they could do if they were the absolute owners of the trust premises and without being answerable for any loss occasioned thereby.

Power to compromise.

6. The Trustees shall be respectively chargeable only for such monies and securities as they shall respectively actually receive notwithstanding their respectively signing any receipt for the sake of conformity and shall respectively be answerable and responsible only for their own respective acts receipts omissions neglects and defaults and not for those of each other nor for any banker broker auctioneer or other person with whom or into whose hands any trust monies or securities shall be deposited or come nor for purchasing or lending on the security of any hereditament nor for any other loss unless the same shall happen through their own wilful default respectively and the Trustees may reimburse themselves or pay and discharge out of the trust premises all expenses incurred in or about the execution of the trust or powers of these presents and shall be entitled to reimbursement or indemnity in respect of all liabilities incurred or to be incurred in the premises out of trust fund and from any person sui juris who is beneficially entitled thereto or any part thereof and from and against all liabilities which the Trustees may incur by reason of entering into any mortgage charge pledge lien or other security as hereinbefore declared.

Indemnity to Trustees.

7. The Trustees shall not be bound in any case to act personally but shall be at full liberty to employ a solicitor or any other agent to transact all or any business of whatsoever nature required to be done in the premises (including the receipt and payment of money) but not involving the exercise of any discretion and shall be entitled to be allowed and paid all charges and expenses so incurred and shall not be responsible for the default of any such solicitor or agent or any loss occasioned by his employment and further that any Trustee for the time being

Power to Trustees to delegate.

THE SCHEDULE—*continued* (THIRD PART)—*continued*

under the presents being an accountant or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional or other charges for business done by him or his firm in relation to the execution of the trusts of these presents whether in the ordinary course of his profession or business or not and although not of a nature requiring the employment of an accountant or other professional person.

Appropriation.

8. The Trustees may appropriate any part or parts of the Trust Fund in or towards satisfaction of any share or shares whether vested or contingent to which any person or persons may be entitled in the Trust Fund and for that purpose may make or cause to be made a valuation or valuations of the Trust Fund or any part or parts thereof (including any property which may have been appointed or advanced under any statutory or other powers or any part or parts thereof or any interest therein) as the Trustees may deem necessary and every such appropriation including such valuation (if made) shall be conclusive and binding on all parties claiming under these presents.

Power to appoint new Trustees.

9. The power of appointing new Trustees of the Trust Fund shall be vested in the said Hugh Allen Carter during his life and he shall also have power from time to time to increase the number of Trustees and he may by his will or any codicil thereto declare that the appointment of all or any of the Trustees for the time being shall cease as from the date of his death and may by such will or codicil appoint new Trustees or a new Trustee of the Trust Fund to act in the trusts thereof as from the date of his death and upon every change of Trustees the Trust property shall (if and so far as the nature of the property and other circumstances shall require or admit) be transferred so that the same may be vested in the Trustees or Trustee for the time being.

Shares in incorporated companies.

10. During such time as any shares in any incorporated Company shall be registered in the names of the Trustees the said Hugh Allen Carter shall so long during his lifetime as he so desires be named first in the share register of the Company so as to secure to him the right of voting in respect of such shares and he may at any time and from time to time appoint any other one of the Trustees to be so named first and from time to time revoke any such appointment and substitute the name of any other one of the Trustees and in addition he may by his will or any codicil thereto appoint any other person to be so named first in such share register as from the date of his death.

Power to act on Counsel's opinion.

11. The Trustees shall have power to take and act upon the opinion of Counsel whether in relation to the interpretation of these presents or any other document or any statute or as to the administration of the Trust Fund without being liable to any person beneficially interested in respect to any act done by them in accordance with such opinion. Provided nevertheless that nothing in this clause contained shall prohibit the Trustees from applying to the Court if they should think fit or shall prohibit any beneficiary whether absolutely presumptively or contingently entitled to a share of the Trust Fund from so doing.