

SENIOR TRUST CAPITAL LIMITED

AND

SENIOR TRUST CAPITAL TRUSTEE LIMITED

**DEED OF TRUST
IN RESPECT OF
THE SENIOR TRUST CAPITAL LIMITED
EMPLOYEE SHARE OWNERSHIP PLAN**

Sargent  **LAWYERS**

PARTIES

1. **Senior Trust Capital Limited** (Company No. 3938813) ("Company")
2. **Senior Trust Capital Trustee Limited** (Company No. 546505) ("Trustee")

INTRODUCTION

- A. The Company wishes to establish the Employee Share Ownership Plan ("**Plan**") under which selected Eligible Employees of the Company will be offered the opportunity to acquire Shares in the Company.
- B. The purpose of the Plan is to give those Employees who have demonstrated the requisite level of professionalism and who have shown commitment to the Company, an opportunity to participate in the Company as shareholders.
- C. It is intended that the Plan will operate in New Zealand.
- D. The Trustee has agreed to act as a trustee of the Plan in accordance with the terms and conditions contained in this Deed.

COVENANTS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions:

In this Deed, unless the context otherwise requires:

"**Commencement Date**" means 22 September 2014.

"**Constitution**" means the constitution of the Company from time to time in force.

"**Date of Allocation**" means the date specified in the Notice of Nomination, in respect of each nomination of Shares, upon which the Nominated Shares, if the offer is accepted, will be allocated.

"**Default Interest Rate**" means the "Official Cash Rate" as that term is defined by the Reserve Bank of New Zealand on the relevant due date plus a margin of 10% per annum.

"**Directors**" means the board of directors for the time being of the Company and includes a committee, or other delegate, of the board of directors to which the board has delegated its powers under this Deed.

"**Eligible Employee**" means an Employee.

"**Employee**" means a party who is Employed by the Company.

“Employed” means, in respect of an Eligible Employee, the employment of the Eligible Employee (whether on a part-time or full time basis) by the Company.

“New Shares” means new Shares issued by the Company for the purposes of the Plan.

“Nominated Shares” in relation to a Eligible Employee means:

- (a) the number of Shares specified in a Notice of Nomination as being the number of Shares that can be acquired by that Eligible Employee at that time and which that Eligible Employee agrees to acquire in accordance with section 6; and
- (b) the number of Shares to which the Eligible Employee otherwise becomes entitled pursuant to the provisions of this Deed.

“Nomination Price” in relation to Nominated Shares, means the price per Share provided within the most recent Offer documents or as otherwise determined by the Directors in their sole discretion, which may be the price at which Shares have been purchased or acquired by the Trustee at any earlier date, and which may as a consequence, be less than the price per Share provided within the most recent Offer documents.

“Notice of Nomination” means the notification given by the Trustee, at the direction of the Directors in accordance with clause 6.2.

“Offer Documents” means any documents pursuant to which securities are offered under the Plan or generally from time to time by the Company and includes any Registered Prospectus together with any further documents as required for the purposes of the Securities Act 1978 or any regulation made under the Securities Act 1978.

“Participant” means an Eligible Employee nominated by the Trustee, at the direction of the Directors to participate in the Plan. The Directors shall have absolute discretion as to the nomination of any Eligible Employee as a Participant of the Plan.

“Registered Prospectus” means a prospectus required in relation to any offer of securities generally from time to time by the Company, or specifically under this Plan, pursuant to the Securities Act 1978.

“Plan” means the Senior Trust Capital Limited Employee Share Ownership Plan as constituted by this Deed.

“Share” means an ordinary share in the Company.

“Special Resolution” has the meaning set out in the Companies Act 1993.

1.2 Interpretation

In this Deed, unless the contrary intention appears:

- (a) expressions defined in the main body of this Deed have the defined meaning in the whole of this Deed including the Introduction;
- (b) clause headings and other headings are for ease of reference only and will not affect the interpretation of this Deed;

- (c) any obligation not to do anything will be deemed to include an obligation not to suffer, permit or cause that thing to be done;
- (d) references to parties are references to parties to this Deed and except where inconsistent with the context will be deemed to include the assignees, transferees and successors of the parties;
- (e) references to persons will be deemed to include references to individuals, companies, partnerships, associations, trusts, government departments and local authorities in each case whether or not having separate legal personality;
- (f) words importing the singular will include the plural and vice versa;
- (g) no rule of construction applies to the disadvantage of any party because that party was responsible for the preparation of this Deed or any part of it.
- (h) references to a statute include references to regulations, orders or notices made under that statute, and references to a statute or regulation include references to all amendments to that statute or regulation whether by subsequent statute or otherwise and include a statute or regulation passed in substitution for the statute or regulation referred to or incorporating any of its provisions.

2. NAME

- 2.1 The name of the Plan shall be the "Senior Trust Capital Limited Employee Share Ownership Plan".

3. DATE OF COMMENCEMENT AND TERM

3.1 Term

This Deed and the Plan shall be deemed to have commenced and to operate as from the Commencement Date, and shall continue until terminated pursuant to section 11.

4. ADMINISTRATION OF THE PLAN

- 4.1 **Representation:** The Directors may from time to time appoint one of their number as a director of the Trustee.
- 4.2 **Administration:** The Trustee shall be responsible for administering the Plan.
- 4.3 **Regulation:** The Plan shall be administered by the Trustee in accordance with the provisions of this Deed and in compliance with the Constitution and all applicable laws. The Trustees shall have power from time to time to make regulations for the administration and operation of the Plan provided they are not significantly inconsistent with this Deed.
- 4.4 **Delegation:** The Trustee may delegate to any person (and revoke any delegation of) all or any of its powers, discretions, rights and obligations under the Plan.

5. POOL OF SHARES HELD BY TRUSTEE

5.1 **Purchase of Shares by Trustee:** The Trustee shall, upon direction of the Directors, purchase or otherwise acquire in the Trustee's own name Shares with the intent that they are available for application under the Plan. The Trustee shall however be entitled to refuse such direction at any time, if the Company is unwilling to provide financial assistance on such terms, in the Trustee's sole discretion, that would allow the Trustee to fund the purchase or acquisition without borrowing from a third party.

5.2 **Sourcing of Shares:** Without in any way binding the Directors, the Company or the Trustee, Shares to be acquired by the Trustee for use in the Plan shall be sourced from amongst:

- (a) Participants who have ceased being Employed by the Company;
- (b) Participants who have deceased;
- (c) Participants wishing to reduce their shareholding in the Company; and
- (d) New Shares,

With the price payable by the Trustee in each case being set by the Directors.

5.3 **Shares Held in Trustee's Name:** Shares purchased or otherwise acquired by the Trustee for the purposes of the Plan shall be purchased or otherwise acquired in the Trustee's own name and the name of the Trustee will be entered on the share register of the Company as holder of such Shares. The Trustee will be the legal owner of all Shares under the Plan, at all times subject to the provisions of this Deed, the Constitution and all applicable laws.

5.4 **Financial Assistance to Trustee:** The Company may provide financial assistance to the Trustee to assist the Trustee to fund the purchase or acquisition of any Shares under the Plan. In such event, the Company and the Trustee shall enter into and execute a loan agreement which shall set out the terms and conditions upon which such financial assistance will be provided to the Trustee. Such financial assistance shall be provided by way of a loan to the Trustee on terms and conditions agreed at the time between the Company and the Trustee. The liability of and recourse against the Trustee for and in respect of such loan shall be limited to such Shares under the Plan, provided that the Trustee shall be entitled to set off any costs, expenses and outgoings to which it is entitled pursuant to this Deed.

5.5 **Exercise of Rights attaching to Shares:** The Trustee shall be entitled to all rights or benefits which arise by virtue of holding Shares in the Company, at all times subject to the provisions of this Deed, the Constitution and all applicable laws. For the avoidance of doubt, such rights shall include full voting and distribution rights attaching to Shares. It is acknowledged that it shall be a term of any financial assistance granted pursuant to clause 5.4, that any dividends or transferred to a Participant under this Deed, shall first be applied towards reducing any outstanding Trustee costs, expenses and outgoings and then meeting the costs of any financial assistance provided to the Trustee. Any surplus shall then be applied at the discretion of the Trustee, which may, without limitation include application towards repayment of any outstanding purchase price (or interest on the same) of any Shares held under the Plan.

6. NOMINATION OF ELIGIBLE EMPLOYEES

6.1 **Nomination:** The Directors may in their absolute discretion, from time to time, nominate Eligible Employees who will be eligible to participate in offers under the Plan.

6.2 **Notification by Trustee:** The Trustee shall by Notice of Nomination, at the direction of the Directors, advise each nominated Eligible Employee that they are eligible to participate in the Plan, at the same time providing each Eligible Employee with copies of any Offer Documents required pursuant to any applicable laws, and any transaction documents reasonably required to effect the nomination. The Notice of Nomination must include the following details:

- (a) The number of Shares that the nominated Eligible Employee may acquire under the Plan at that time;
- (b) The Nomination Price;
- (c) The date by which acceptance of the offer must be conveyed;
- (d) The Date of Allocation;
- (e) Any special conditions or terms relating to the offer which may include, without limitation, the terms of any financial assistance available to the Eligible Employee, which may in whole or in part replace financial assistance that has previously been provided by the Company to the Trustee.

6.3 **Acceptance of Nomination and Issue of Shares:** An Eligible Employee may accept such offer (in whole but not in part), by:

- (a) Giving written notice of acceptance to an officer of the Trustee; and
- (b) Correctly completing and providing one original set of any transaction documentation delivered with the Notice of Nomination and required by the Trustee to be completed to effect the transactions,

all within the time specified for doing so (time being of the essence) as provided for within the Notice of Nomination. If the Eligible Employee fails to do so then the offer will at the election of the Directors be deemed to have been rejected.

6.4 **Terms of Payment:** Payment of the Nomination Price shall, subject to any financial assistance approved by the Directors, be made in full without set off or deduction to the Trustee on the Date of Allocation.

6.5 **Transfer of Shares:** Upon payment of the Nomination Price, the relevant shares will be transferred to the Eligible Employee.

7. TRUSTEE

7.1 **Initial Trustee:** The initial trustee of the Plan shall be Senior Trust Capital Trustee Limited.

7.2 **Retirement and removal from office as Trustee:** The Trustee may at any time:

- (a) retire as Trustee under this Deed by giving one calendar month's notice in writing to the Company;
- (b) be removed from office as trustee by Special Resolution of the Company, subject to appointment of a replacement trustee, to the effect that from the date of removal the outgoing trustee shall be released from all of its covenants and obligations under this Deed (save in respect of any antecedent breach);
- (c) be removed from office as trustee by the Directors in the event that the Directors, acting reasonably, consider the Trustee to be in wilful default of the Trustee's obligations under this Deed, subject to appointment of a replacement trustee, to the effect that from the date of removal the outgoing trustee shall be released from all of its covenants and obligations under this Deed (save in respect of any antecedent breach).

7.3 Appointment of new Trustees: The power of appointment of new trustees under this Deed shall be vested in the Directors and the Directors shall appoint a new trustee or trustees not later than the date of the retirement or removal from office of the trustee for the time being.

7.4 Liability of the Trustee Limited: The Trustee shall not as trustee under this Deed incur any liability whatsoever, nor in any way be personally liable, for any act or default or otherwise in connection with or as a result of being a trustee under this Deed, except for and in respect of loss arising out of wilful default or wilful breach of trust.

7.5 Maintenance of books and establishment of Trustee's Account: The Trustee shall:

- (a) keep all such books, accounts and records and other information as may be necessary to enable it to properly discharge its duties and obligations as Trustee under this Deed;
- (b) establish and maintain a bank account for the purposes of and incidental to this Deed ("**Trustee's Account**").

7.6 Dividends, distributions and rights in respect of Shares purchased by the Trustee:

- (a) Subject to the terms on which Shares have been acquired by the Trustee under the Plan, any dividends and distributions received by the Trustee in respect of Shares purchased or acquired by the Trustee for the purposes of the Plan, where those Shares have not yet passed into legal ownership of a Participant, will be credited to the Trustee's Account for payment in accordance with clause 5.5.
- (b) Where the Trustee receives additional shares or other securities issued in connection with a bonus issue or other distribution, such additional shares will be held by the Trustee.
- (c) Where the Company buys back any Shares held by the Trustee, the proceeds of the buyback of Shares will be credited to the Trustee's Account and applied for the purposes of and incidental to this Deed.

7.7 Remuneration and costs of Trustee: The Trustee shall be entitled to:

- (a) Be paid remuneration for undertaking the duties and obligations as Trustee under this Deed in such amount as the Trustee and the Company shall from time to time agree; and
- (b) Be reimbursed for all costs, expenses and outgoings incurred by the Trustee in administering the Plan and exercising its duties and obligations as Trustee under this Deed.

7.8 **Powers and authorities of Trustee:** The Trustee, in addition to the powers and authorities vested in it by the Trustees Act 1956 or otherwise by law, shall have the following specific powers and authorities:

- (a) to purchase or acquire Shares for the purposes of the Plan in such manner and on such terms as the Trustee considers appropriate, subject to complying with the terms of this Deed;
- (b) to borrow, raise or lend money and authorise the repayment of any such moneys so borrowed, raised or lent, in each case for the purpose of the Plan, in each case as the Trustee considers appropriate, subject to complying with the terms of this Deed,;
- (c) in respect of Shares purchased or acquired by the Trustee for the purpose of the Plan:
 - (i) to exercise, carry out, apply for, take up, receive, or otherwise obtain the benefit of, any rights or benefits arising from ownership of such Shares and to sell, dispose of, distribute or otherwise deal with any such rights or benefits;
 - (ii) to receive, distribute or otherwise deal with all dividends and distributions or payments received in respect of such Shares in accordance with the rights of those entitled in accordance with this Deed;
- (d) to delegate any of its duties, powers and authorities as Trustee under this Deed to any person or corporation including the Company.

7.9 **Trustee's indemnity:** The Company shall indemnify and keep indemnified the Trustee for and against all liability (including any liability to pay income tax or any other form of taxation), cost, expense and other charge sustained at any time by the Trustee, and any proceeding, action, claim (including costs incurred in defending and/or resisting any claim), demand or process against the Trustee arising directly or indirectly by virtue of it being the Trustee under this Deed or by virtue of any other matter arising out of the exercise of its duties and obligations as Trustee under this Deed, provided that this indemnity does not apply:

- (a) in respect of income tax or other taxation payable by the Trustee in respect of any remuneration earned by it in consideration of it agreeing to or undertaking the duties and obligations as Trustee under this Deed; and
- (b) to any costs, expenses and outgoings of the Trustee which the Trustee has agreed falls within the costs, expenses and outgoings to be met by it under the terms of its appointment as Trustee or the terms of the remuneration it agreed to accept in consideration of it agreeing to or undertaking the duties and obligations as Trustee under this Deed; and

- (c) to any liability of the Trustee arising in respect of any dishonesty or wilful default or wilful breach of trust.

7.10 **Profits:** Any profits from time to time arising under the Plan shall, if no Participant is beneficially entitled, and after providing for the costs, expenses and outgoings of the Trustee in administering the Plan and exercising its duties and obligations as Trustee under this Deed and for past losses not already recouped, be held by the Trustee to apply in the manner set out in this Deed. It is acknowledged that it is the intention of the parties for there not to be a profit available under the Plan. It is intended that the benefit of dividends and distributions received by the Trustee will be applied in full towards satisfying the Trustee's costs and costs of financial assistance and purchase or acquisition prices for Shares from time to time. Any surplus profit will be applied at the discretion of the Trustee, or if the Trustee does not exercise its discretion, then it will be applied in the manner set out in clause 11,

8. GENERAL RESTRICTIONS

8.1 **Restriction on Other Dealings:** Other than as provided within this Deed, the Trustee shall not at any time be entitled to mortgage, pledge, grant a security interest or lien over or otherwise encumber any of the Shares within the Plan.

8.2 **Right of Buyback:** The Trustee and Company may agree that the Company buy back all or any of the Shares under the Plan, to the extent that they are not already subject to a Notice of Nomination on terms agreeable to both parties.

8.3 **General Compliance:** The provisions of this Deed are subject to the Constitution, the Companies Act 1993, the Securities Act 1978, and any other applicable laws. Notwithstanding any provision of this Deed, no Share may be dealt with and no provision shall take effect if to do so would contravene any of the above.

9. VOTING

9.1 The Trustee will exercise all voting rights conferred on any Shares under the Plan, in the manner that the Trustee shall in its absolute discretion think fit. The Trustee shall be entitled to seek direction from the Directors at any time as to how to exercise such voting rights, provided that the Trustee shall not be required to follow such direction but shall be entitled to rely upon any such direction given should the Trustee in its absolutely discretion think fit.

10. COSTS

10.1 The Company shall pay all brokerage and other costs, charges and expenses incurred with respect to the administration of the Plan. Eligible Employees shall pay their own costs for independent advice taken with respect to their participation in the Plan.

11. TERMINATION OF THE PLAN

11.1 **Circumstances in which the Plan may be terminated:** The Plan may be terminated and wound up by the Trustee in the following circumstances:

- (a) if the Trustee at any time resolves that the Plan be terminated and wound up, without any liability whatsoever on the Trustee for such termination;
- (b) upon the liquidation of the Company (including if the Company goes into liquidation for the purpose of reconstruction or amalgamation with any other company) or the appointment of a statutory manager, or of a receiver, or receiver and manager, or administrator, to all or substantially all of the assets of the Company;
- (c) if an offer is made for the acquisition of Shares under a takeover bid and as a result of or under the takeover bid, the offeror or any other person acquires a relevant interest (as that term is defined in the Securities Markets Act 1988) in not less than 50 percent of the issued Shares in the Company or if a scheme of arrangement under the Companies Act 1993 is proposed between the Company and its shareholders; or
- (d) on the day 80 years from the date of execution of this Deed.

provided that any termination shall not adversely affect or prejudice the rights of Participants under this Deed. In any of such events, the Trustee shall have absolute discretion to determine the effective date of such termination or winding up for the purposes of clause 11.1.

11.2 **Realisation of assets by Trustee upon termination and winding up:** Upon termination and winding up of the Plan any Shares and income from Shares then remaining in the hands of the Trustee and not otherwise disposed of under this Deed shall, after the payment of all liabilities, be surrendered and paid to the Company, in recognition that the Plan is not intended to realise a profit.

12. NO RIGHTS OF EMPLOYMENT CONFERRED

12.1 **No right to participate in the Plan:** Nothing in this Deed confers on any Eligible Employee the right to participate in the Plan, which shall be at the sole discretion of the Directors. The Directors may in their sole discretion from time to time determine that Eligible Employees of the Company shall not be entitled to participate in the Plan provided always that no such determination shall have the effect of adversely affecting or prejudicing the rights of existing Participants under this Deed.

12.2 **No right to continued Employment:** The granting of entitlements under this Plan does not:

- (a) confer on a Participant any right to continued Employment with the Company; or
- (b) alter or restrict any of the rights of the Company to terminate the Participant's employment or association with the Company at any time for cause and without liability, and entitlements under this Plan shall not be included as part of the

Participant's regular, recurring remuneration or compensation for any purpose, including the calculation of redundancy pay or holiday pay or other entitlement.

13. AMENDMENT OF TERMS OF THIS DEED

13.1 Power to amend this Deed: The Trustee may, at any time, with the consent of the Directors amend all or any of the provisions of this Deed by a deed supplemental to this Deed and entered into and executed by the Company and the Trustee, provided that no such amendment shall take effect that would cause the Plan to breach any applicable law.

13.2 Other amendments: Notwithstanding this clause 13.1, the Trustee may at any time by resolution amend this Deed in the manner the Trustee considers reasonably necessary:

- (a) in order to render this Deed capable of approval by any governmental or other regulatory body pursuant to any present or future legislation applying in New Zealand; or
- (b) in order to make what the Trustee considers to be minor amendments to benefit the administration and principles of the Plan; or
- (c) in order to comply with or take advantage of any taxation, legal, regulatory or other rule, law, guideline, or regulation applying in any jurisdiction in which the Plan is or is intended to be operated.

EXECUTION

SIGNED for and on behalf of SENIOR TRUST CAPITAL LIMITED by:

Director

Director

SIGNED for and on behalf of SENIOR TRUST CAPITAL TRUSTEE LIMITED by:

Director

Director

DISCLOSURE DOCUMENT

Proposal to give Financial Assistance in conjunction with the Senior Trust Capital Limited Employee Share Ownership Plan

Dated 29 July 2014

Introduction

The Board (**Board**) of Senior Trust Capital Limited (the **Company**) has previously notified shareholders of its intent to establish an employee share ownership plan (**Plan**) under which selected eligible employees of the Company will be offered the opportunity to acquire shares in the Company.

The purpose of the Plan is to give those employees who have demonstrated the requisite level of professionalism and who have shown commitment to the Company, an opportunity to participate in the Company as shareholders.

A further purpose of the Plan is to attract new employees with desired skills to assist with continuing to build upon the strong management of the business.

Details of the Plan have been recently published within the latest registered prospectus of the Company and were discussed at the last annual general meeting.

The Plan will see the establishment of a trustee company to purchase shares in, and with financial assistance from, the Company. It will also see the Board tasked with identifying potential and existing key employees of the business, and if the Board considers it appropriate, nominating those persons to participate in the Plan, on acceptable terms.

The trustee company will then be tasked with managing the sale of shares to those nominated employees, from within its pool of shares purchased from the Company.

Terms of Financial Assistance and Structure

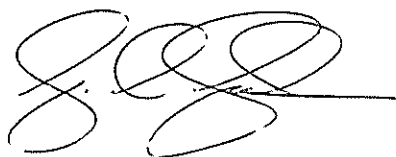
1. For the purposes of establishing the Plan, a trustee company under the name of Senior Trust Capital Trustee Limited is being established.
2. The Company proposes to issue to the trustee company ordinary shares equating to up to 20% of the ordinary shares on issue in the Company.
3. The trustee company will purchase the shares at the then current price at which shares in the Company are offered to the public under its registered offer documents, which at present equates to \$1 per share.
4. The trustee company shall also be entitled, with the approval of the Board, to purchase shares in the Company from time to time from parties wishing to sell all or part of their shares, for any reason.
5. Shares purchased or otherwise acquired by the trustee company for the purposes of the Plan are to be purchased or otherwise acquired in the trustee company's own name.
6. The Company may at the Board's discretion provide financial assistance to the trustee company to assist (in whole or in part) in its funding the issue or purchase price. In such event, the

Company and the trustee company would enter into and execute a loan agreement which would set out the terms and conditions upon which such financial assistance would be provided to the trustee company. The liability of and recourse against the trustee company for and in respect of such loan would be limited to such shares in the Company under the Plan.

7. Under the requirements of Section 76(1)(b) of the Companies Act 1993 the Board is required to provide disclosure of the nature and terms of the presently planned financial assistance, and this follows:
- (a) The trustee company proposes to acquire up to 20% of the shares in the Company, through the issue of new shares and purchase of any shares offered by existing shareholders in the Company, during the course of the following twelve months;
 - (b) The shares will be purchased at a price of \$1, being the current offer price within the Company's public offer documents;
 - (c) The Company will provide an interest free loan for any shares purchased by the trustee company;
 - (d) The Board of the Company may, in its absolute discretion from time to time, nominate employees of the Company to participate in the Plan;
 - (e) The trustee company is required to comply with the directions of the Board in making any offer to such employee(s), on the terms nominated by the Board at the time;
 - (f) At this time, the Board of the Company has not nominated any such employees, but is retaining the right to do so in the future;
 - (g) The financial assistance provided by the Company to the trustee company will be documented in the form of a loan agreement, and any dividends received under the shares will be retained by the Company to apply towards the costs of the financial assistance provided;
 - (h) The Board is of the opinion that the giving of this financial assistance is for the benefit of all shareholders in the Company, which shall include any shareholders ultimately receiving the financial assistance and those shareholders not receiving the assistance, with the intention being to establish an arrangement, the Plan, under which current and future employees of the Company can be identified and incentivised to join and remain with the Company, and in doing so, building and maintaining a capable and consistent management structure.

This disclosure document is given to you pursuant to Section 78(5) of the Companies Act 1993 and complies with Section 79 of the Companies Act 1993.

Yours faithfully



For the Board of Directors of the Company