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**Establishment Deed**

Carbon Fund

**Salt Investment Funds Limited**

**The New Zealand Guardian Trust Company  
Limited**

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**Deed** dated 12 October 2018

## **Parties**

- 1 **Salt Investment Funds Limited** at Auckland ('**Manager**')
- 2 **The New Zealand Guardian Trust Company Limited** at Auckland ('**Supervisor**')

## **Introduction**

- A The Manager and the Supervisor are parties to a master trust deed dated the date of this Deed ('**Trust Deed**') which sets out the terms and conditions on which units in the funds within the managed investment scheme known as the Salt Listed Funds managed by the Manager ('**Scheme**') will be offered for subscription.
- B The Trust Deed provides that each fund within the Scheme will be established by the Manager and the Supervisor entering into an Establishment Deed setting out the specific terms and conditions relating to that fund ('**Fund Particulars**').
- C Pursuant to clause 3.3 of the Trust Deed, the Manager has determined to establish a fund to be known as the Carbon Fund ('**Fund**') or such other name as the Manager may determine from time to time. The Supervisor has agreed to act as trustee and supervisor of the Fund.
- D Accordingly, the Manager and the Supervisor have agreed to enter into this Deed for the purpose of setting out the particulars of the Fund.

## **Covenants**

### **1 Interpretation**

- 1.1 In this Deed:
  - a unless the context otherwise requires, words defined in the Trust Deed shall have the same meaning in this Deed;
  - b clauses 1.2 to 1.6 of the Trust Deed shall apply to this Deed, with all necessary modifications; and
  - c references to the Trust Deed means the Trust Deed as amended or supplemented from time to time.

### **2 Establishment of Fund**

- 2.1 The Supervisor agrees to act as trustee and supervisor for the Unit Holders of the Fund and to hold the Trust Fund in trust for those Unit Holders, upon and subject to the terms and conditions contained or implied in this Deed, the Trust Deed, and the Fund Particulars.

### **3 Fund Particulars**

- 3.1 The Fund Particulars for the Fund are set out in the Schedule to this Deed.

**4 Counterparts**

4.1 This Deed may be executed in two or more counterpart copies each of which will be deemed an original and all of which together will constitute one and the same instrument. A party may enter into this Deed by signing a counterpart copy and sending it to the other parties (including by facsimile or email).

**5 Delivery**

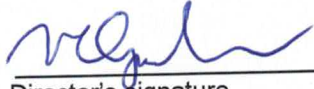
For the purposes of section 9 of the Property Law Act 2007 (and without limiting any other mode of delivery) this Deed will be delivered by each party on the earlier of:

- a physical delivery of an original of this Deed, executed by the relevant party, into the custody of the other party or the other party's solicitors; or
- b transmission by the relevant party or its solicitors (or any other person authorised in writing by the relevant party) of a facsimile, photocopied or scanned copy of an original of this Deed, executed by the relevant party, to the other party or the other party's solicitors.

**Execution**

**Executed and delivered as a deed**

**Signed for Salt Investment Funds Limited**  
by two of its directors:



Director's signature

Matthew Goodson

Director's name

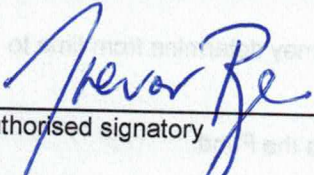



Director's signature

PAUL HARRISON

Director's name

Signed for and on behalf of  
**The New Zealand Guardian Trust Company Limited**  
by its authorised signatories in the presence of:

  
\_\_\_\_\_  
Authorised signatory  
**TREVOR PYE**

\_\_\_\_\_  
Name  
  
\_\_\_\_\_  
Authorised signatory

**MARK PATRICK JEPHSON**

\_\_\_\_\_  
Name

Witness to both signatures:

**WITNESS TO BOTH SIGNATURES**

Print name:

Full Name: Debra Gail Morton

Residential Address: Auckland

Occupation: Corporate Trusts Administrator

Occupation:

Signature: 

Address:

**ACT 1563**

## Schedule 1 Fund particulars

- Name of Fund:** Carbon Fund, or such other name as the Manager may determine from time to time.
- Investment strategy:** As set out in the SIPO for the Scheme which covers the Fund.
- Frequency of Valuation Days:** Valuation Days for the Fund will occur on Friday in each week, or on any other day whether periodical or otherwise specified by the Manager in writing to the Supervisor from time to time. If a Friday is not a Business Day in any week, then the Valuation Day will be the first Business Day following that Friday. A Valuation Day may also be deferred where a Wednesday is not a Business Day (as set out in 'Effective Valuation Day for the issue of Units').
- Effective Valuation Day for the issue of Units:** Valid applications received by the Manager:
- a before 1.00 pm on the Wednesday immediately before a Valuation Day will be processed at the Unit Value applicable to that Valuation Day; or
  - b on or after 1.00 pm the Wednesday immediately before a Valuation Day will be processed using the Unit Value applicable to the next Valuation Day,
- unless the Manager considers it necessary or desirable to defer processing of that application until a subsequent Valuation Day.
- If a Wednesday is not a Business Day valid applications will be deferred until the first Business Day following that Wednesday (Deferred Day). In these circumstances the Valuation Day will be deferred until the first Business Day that is 2 Business Days after the Deferred Day.
- The Unit Value applicable to a Valuation Day will be determined using the Market Values of the Fund's Investments.
- Variation of the Trust Deed specifically applicable to the Fund:** The Trust Deed is varied in respect of the Fund as follows, with such variations prevailing over any other provision of the Trust Deed or this Deed in the case of any inconsistency:
- a **No general right of withdrawal**  
Subject to the Relevant Requirements, but notwithstanding clause 8 of the Trust Deed, Unit Holders do not have a general right to make a withdrawal from the Fund or have their Units in the Fund redeemed, and the Manager is not required to (but may, in its absolute discretion) accept Withdrawal Notices.
  - b **No general right to switch**  
Subject to the Relevant Requirements, but notwithstanding clause 9

of the Trust Deed, Unit Holders do not have a general right to switch between the Fund and any other Fund established within the Scheme, and the Manager is not required to (but may, in its absolute discretion) accept Switching Notices.

**c Transfers processed as direct transfers between Unit Holders**

Subject to the Relevant Requirements, but notwithstanding the proviso in clause 10.1 of the Trust Deed, any transfer of Units in the Fund between Unit Holders will be processed as a direct transfer from one Unit Holder to another Unit Holder.

**d Protection of Fund name**

No person other than Salt Investment Funds Limited or Salt Funds Management Limited (including the Supervisor, any Custodian, the Auditor, a Unit Holder, a new or temporary Manager, or any other person) shall be deemed to have acquired through an interest in the Fund or otherwise any right to the use of, or any goodwill in, the name "Carbon Fund". Notwithstanding any other provision of this Deed or the Trust Deed, if Salt Investment Funds Limited or any other company nominated by Salt Investment Funds Limited ceases for any reason to be the Manager of the Fund then (except to the extent that Salt Investment Funds Limited otherwise agrees in writing):

- i the name of the Fund (and any Custodian which uses the word "Carbon" in its name) shall be changed to another name that does not include the word "Carbon"; and
- ii the Supervisor and the Manager shall each ensure that, as soon as practicable after the date of such cessation, the phrase "Carbon Fund" does not appear in any documents, publications, or advertisements relating to the Fund or the Scheme, and that all Registers and records are amended to record that change.

**Period for processing withdrawals:**

Subject to the Trust Deed and to the above variations applicable to the Fund, withdrawals will become effective and be processed as soon as practicable following receipt by the Manager of a valid Withdrawal Notice in the prescribed form, and in any case will be processed within 15 Business Days of receipt of that Withdrawal Notice.

Valid Withdrawal Notices received by the Manager:

- a on a Valuation Day before 1.00 pm will be processed at the Unit Value applicable to that Valuation Day; or
- b on a Valuation Day on or after 1.00 pm will be processed at the Unit Value applicable to the following Valuation Day,

unless in the opinion of the Manager it is not practical or desirable to calculate the Withdrawal Amount on that Valuation Day by reason of any of the circumstances set out in clauses 8.8 and/or 8.11 of the Trust Deed arising, in which case the Manager will calculate the Withdrawal Amount based on the Unit Value applicable

on the first Valuation Day it considers practicable.

The Unit Value applicable to a Valuation Day will be determined using the Market Values of the Fund's Investments.

**Borrowing:** The Fund does not intend to Borrow unless for settlement purposes. For the purposes of clause 19.4a of the Trust Deed, no Borrowing may be made if the total amount of principal moneys Borrowed by the Fund and outstanding would exceed 25% of the Net Asset Value unless otherwise agreed with the Supervisor.

**Distributions:** The Fund does not intend to make distributions although the Manager reserves the right to amend this policy and distribute Amounts in the future. The relevant terms for any distributions, including the Distribution Dates and date or dates for distribution of Entitlements, will be agreed with the Supervisor.

**Performance Fee:** None.