

CONSTITUTION

of

BANK OF NEW ZEALAND

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The Companies Act 1993

CONSTITUTION

of

BANK OF NEW ZEALAND

1. PRELIMINARY

Definitions

1.1 In this Constitution unless the contrary intention appears:

"**Alternate Director**" means a person appointed as alternate director under clause 14;

"**Auditor**" means the auditor for the time being of the Company;

"**Chairperson**" means the chairperson of the board of Directors of the Company and
"Deputy Chairperson" means the deputy chairperson of the board;

"**Charge**" includes a mortgage;

"**Committee**" and "**Committee of Directors**" means any Director or Directors acting as a committee of Directors;

"**Companies Act**" means the Companies Act 1993;

"**Company**" means Bank of New Zealand;

"**Constitution**" means this constitution as altered or added to from time to time and a reference to a provision of this constitution is a reference to that provision as altered or added to from time to time;

"**Director**" means a director of the Company, and where appropriate includes an Alternate Director;

"**Directors**" means all or some of the Directors acting as a board;

"**Executive Director**" means a person appointed as executive director under clause 13;

"**Managing Director**" means a person appointed as managing director under clause 13, and where appropriate includes an assistant managing director or an acting managing director;

"**Member**" means a person for the time being entered in the Register as a member of the Company;

"**Paid**", in relation to Shares, includes credited as paid;

"**Parent Company**" means National Australia Bank Limited;

"**Register**" means the share register kept in accordance with the Companies Act;

"Registered Office" means the registered office for the time being of the Company;

"Related Company" and **"Subsidiary"** have the same meanings as in the Companies Act;

"Representative" means a representative appointed by a Member in accordance with clause 6.29;

"Share" means a share in the capital of the Company.

Interpretation

1.2 In this Constitution unless the contrary intention appears:

- (a) the word person includes a firm, a body corporate, an unincorporated association or an authority;
- (b) the singular includes the plural and vice versa;
- (c) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (d) a reference to writing includes typewriting, printing, telegram, facsimile and other modes of representing or reproducing words in a visible form;
- (e) a reference to a section is a reference to a section of the Companies Act;
- (f) a reference to the Companies Act, or to a provision of the Companies Act, means the Companies Act or that provision as amended from time to time, or any statute or provision enacted in its place, and includes regulations and other instruments under it;
- (g) a reference to a clause is a reference to a clause in this Constitution; and
- (h) words and phrases which are defined in the Companies Act have the same meanings when used in this Constitution.

1.3 Headings are inserted for convenience and are not to affect the interpretation of this Constitution.

1.4 Powers conferred on the Parent Company, the Company, the Directors, a Committee of Directors, a Director or a Member may be exercised at any time and from time to time.

Notice from Parent Company

1.5 The Parent Company shall exercise a power, make a request or requirement, issue an authorisation or give a consent, direction or approval for a purpose under this Constitution by notice in writing:

- (a) under its common seal; or
- (b) signed by:
 - (i) a managing director of the Parent Company, or

- (ii) any other person authorised in that behalf either generally or in a particular case by notice in writing in accordance with paragraph (a) or subparagraph (b)(i) of clause 1.5,

served on the Company in accordance with section 388 of the Companies Act.

2. SHARES

Issues of Shares and grant of options

2.1 Subject to the Companies Act, this Constitution and any special rights conferred on the holders of any Shares or class of Shares:

- (a) all new Shares are under the control of the Directors;
- (b) subject to paragraph (e), the Directors may allot or otherwise dispose of them with such preferred, deferred or other rights and subject to such restrictions as to dividends, voting, return of capital, payment of calls or otherwise to such persons, on such terms and for such consideration as they think fit;
- (c) the Directors may on the issue of Shares differentiate between the holders as to the amount of calls to be paid and the times of payment;
- (d) subject to paragraph (e), the Directors may grant to any person an option over Shares at the price for the Shares fixed by them and may fix the period during which the option may be exercised and the consideration payable for such option; and
- (e) before allotting or disposing of any Shares, or granting any option over Shares, to any person who is not an existing holder of any Shares:
 - (i) the Directors must first offer (by notice in writing) the Shares or the option over Shares (as the case may be) to the Parent Company; and
 - (ii) the Parent Company shall have 30 days from receipt of the notice under paragraph (e)(i) to accept (by notice in writing to the Company) the offer on its own behalf or on behalf of any person nominated in writing by the Parent Company; and
 - (iii) if the Parent Company does not accept the offer in accordance with paragraph (e)(ii), the Directors may offer the Shares, or grant an option over Shares, to any person on terms and conditions and for a consideration that is not more favourable to the person to whom the offer is made than the terms and conditions and consideration on which the Shares or options over Shares were offered to the Parent Company.

Redeemable preference Shares

2.2 The Company may issue preference Shares which are redeemable at the option of the Company or on a specified date. With respect to any such redeemable preference Shares:

- (a) clause 2.1(e) shall not apply and section 45 of the Companies Act is negated;

- (b) clauses 3 and 18.5 shall not apply and transfers of redeemable preference Shares shall be made in accordance with the Companies Act and any restrictions or limitations on their transfer in their terms of issue;
- (c) meetings of holders of redeemable preference Shares shall not be general meetings and therefore clauses 5 and 6 shall not apply and the provisions of Schedule 1 to the Companies Act shall govern proceedings at meetings of holders of redeemable preference Shares; and
- (d) clauses 17.1 and 18.1 shall not apply,

but, for the avoidance of doubt, none of paragraphs (a) to (d) above shall apply to Shares that are not redeemable preference Shares.

Division of Register and issue of further Shares

- 2.3 The Register may be divided into 2 or more registers kept in different places.
- 2.4 For the purpose of section 117(3)(a) of the Companies Act, the issue of further Shares ranking equally with, or in priority to, existing Shares is expressly permitted and is deemed not to be an action affecting the rights attached to the existing Shares.

3. TRANSFER OF SHARES

Registration

- 3.1 A transfer of Shares must not be registered unless there has been lodged with the Company a proper instrument of transfer executed by the transferor and by the transferee.
- 3.2 The transferor remains the Member in respect of Shares until the name of the transferee is entered in the Register.

Instruments of transfer

- 3.3 Subject to any applicable law an instrument of transfer must be in a usual or common form or in any other form acceptable to the Directors and must be delivered to the Company for registration accompanied by the certificate for the Shares to be transferred.

Restrictions on transfer

- 3.4 The Directors may not register a transfer of Shares except with the prior consent of the Parent Company and, provided the requirements of clauses 3.1 and 3.3 have been complied with, shall register a transfer of shares if required to do so by the Parent Company.

4. LIABILITY OF MEMBERS

Liability of Members for the obligations of the Company

- 4.1 A Member is not liable for an obligation of the Company by reason only of being a Member.

Liability of Members to the Company

4.2 Notwithstanding any other provision in this Constitution other than clause 4.3 the liability of a Member to the Company is limited to:

- (a) any amount unpaid on a Share held by the Member;
- (b) any liability under sections 131 to 137 of the Companies Act that arises by reason of section 126(2) of the Companies Act;
- (c) any liability to repay a distribution received by the Member to the extent that the distribution is recoverable under section 56 of the Companies Act; and
- (d) any liability under section 100 of the Companies Act.

Other liabilities unaffected

4.3 Nothing in clause 4.2 shall affect the liability of a Member to the Company under a contract, including a contract for the issue of Shares, or for any tort, or breach of a fiduciary duty, or other actionable wrong committed by the Member.

5. GENERAL MEETINGS

5.1 The Directors may convene a general meeting whenever they think fit and shall do so whenever requested by the Parent Company or required to do so by the Companies Act.

Notice of general meeting

5.2 Written notice of the time and place of a general meeting must be sent to every Member entitled to receive notice of the meeting and to every Director and the Auditor not less than 10 working days before the meeting.

5.3 The notice of meeting must state –

- (a) the nature of the business to be transacted at the meeting in sufficient detail to enable a Member to form a reasoned judgment in relation to it; and
- (b) the text of any special resolution to be submitted to the meeting.

5.4 An irregularity in a notice of a meeting is waived if all the Members entitled to attend and vote at the meeting attend the meeting without protest as to the irregularity, or if all such Members agree to the waiver.

5.5 The accidental omission to give notice of a meeting to, or the failure to receive notice of a meeting by, a Member does not invalidate the proceedings at that meeting.

Auditor's and Directors' rights to attend general meetings

5.6 The Auditor or an agent authorised by the Auditor in writing for the purpose is entitled to attend any general meeting, to receive all notices of and other communications relating to any general meeting which a Member is entitled to receive and to be heard at any general meeting on any part of the business of the meeting which concerns the Auditor in that capacity, and is entitled to be heard notwithstanding that the Auditor retires at that meeting or a resolution to remove the Auditor from office is passed at that meeting.

- 5.7 A Director is entitled to attend any general meeting and any separate meeting of the holders of any class of Shares, to receive all notices of and other communications relating to any such meeting which a Member or the holder of any class of Shares is entitled to receive and to be heard at any such meeting on any part of the business of the meeting.

Cancellation or postponement of general meeting

- 5.8 Where a general meeting (excluding an annual general meeting and a meeting called on the written request of Members in accordance with the Companies Act) is convened by the Directors, they may, whenever they think fit and subject to the prior consent of the Parent Company, cancel the meeting or postpone the holding of the meeting to a date and time determined by them.
- 5.9 Written notice of postponement of a general meeting must be given to all persons entitled to receive notices of general meetings from the Company at least three days before the date for which the meeting is convened and must specify the reason for postponement.

6. PROCEEDINGS AT GENERAL MEETINGS

Quorum

- 6.1 One Member present in person or by proxy or Representative is a quorum at a general meeting.
- 6.2 An item of business may not be transacted at a general meeting unless a quorum is present.
- 6.3 If a quorum is not present within 30 minutes after the time appointed for the meeting:
- (a) in the case of a meeting called on the written request of Members, the meeting is dissolved;
 - (b) in the case of any other meeting, the meeting is adjourned to the same day in the following week at the same time and place, or to such other date, time and place as the Directors may appoint.
- 6.4 If a quorum is not present within 15 minutes after the time appointed for the adjourned meeting, the meeting is dissolved.

Chairperson

- 6.5 The Chairperson is entitled to preside at meetings of Members, but if the Chairperson is not present and able and willing to act within 15 minutes after the time appointed for a meeting or has signified an intention not to be present and able and willing to act, the following may preside (in order of entitlement): the Deputy Chairperson, a Director chosen by a majority of the Directors present, the only Director present, or a Member, proxy or Representative chosen by a majority of the Members, proxies and Representatives present.
- 6.6 If there is an equality of votes the Chairperson of the meeting has both on a show of hands and at a poll, a casting vote in addition to any votes to which the Chairperson is entitled as a Member or proxy or Representative of a Member. The Chairperson has a discretion both as to whether or not to use the casting vote and as to the way in which it is used.

Methods of holding meetings

- 6.7 A meeting of Members may be held either:
- (a) by a number of Members, who constitute a quorum, being assembled together at the place, date, and time appointed for the meeting; or
 - (b) by means of audio, or audio and visual, communication by which all Members participating and constituting a quorum, can simultaneously hear each other throughout the meeting.

How questions decided

- 6.8 In the case of a meeting of Members held under clause 6.7(a), unless a poll is demanded, voting at the meeting shall be by whichever of the following methods is determined by the Chairperson of the meeting:
- (a) voting by voice; or
 - (b) voting by show of hands.
- 6.9 In the case of a meeting of Members held under clause 6.7(b), unless a poll is demanded, voting at the meeting shall be by the Members signifying individually their assent or dissent by voice.
- 6.10 A declaration by the Chairperson of the meeting that a resolution is carried by the requisite majority is conclusive evidence of that fact unless a poll is demanded in accordance with clause 6.11.
- 6.11 At a meeting of Members a poll may be demanded by:
- (a) not less than 5 Members having the right to vote at the meeting; or
 - (b) a Member or Members representing not less than 10 percent of the total voting rights of all Members having the right to vote at the meeting; or
 - (c) by a Member or Members holding shares in the Company that confer a right to vote at the meeting and on which the aggregate amount paid up is not less than 10 percent of the total amount paid up on all Shares that confer that right; or
 - (d) the Chairperson of the meeting.
- 6.12 A poll may be demanded either before or after the vote is taken on a resolution.
- 6.13 If a poll is taken, votes must be counted according to the votes attached to the Shares of each Member present in person or by proxy or Representative and voting. On a show of hands, each Member present in person and each other person present as proxy or Representative has one vote.
- 6.14 The instrument appointing a proxy or Representative to vote at a meeting of the Company confers authority to demand or join in demanding a poll and a demand by a person as proxy or Representative for a Member has the same effect as a demand by the Member.

Adjournment

- 6.15 The Chairperson of a meeting may with the consent of the meeting adjourn the meeting from time to time and place to place, but the only business that may be transacted at an adjourned meeting is the business left unfinished at the meeting from which the adjournment took place.

Right to appoint proxy

- 6.16 A Member entitled to attend at a meeting of the Company or of any class of Members is entitled to appoint another person (whether a Member or not) as proxy to attend in the Member's place at the meeting and a proxy has the same right as the Member to speak and vote at the meeting.

Instrument of proxy

- 6.17 An instrument appointing a proxy must be in writing under the hand of the appointor or of the appointor's attorney duly authorised in writing and must also be in a form approved by the directors and state whether the appointment is for a particular meeting or a specified term not exceeding twelve months.
- 6.18 An instrument appointing a proxy must be produced before the start of the meeting.

Resolutions in lieu of meeting

- 6.19 A Members' resolution in lieu of meeting authorised by section 122 may consist of several documents in like form, each signed by one or more Members. A facsimile of any such signed resolution shall be as valid and effectual as the original signed document with effect from completion of its transmission.
- 6.20 In the case of a Member which is a corporation the signature of any director or the secretary of that corporation or, in the case of a Share registered in the name of joint holders, the signature of any one or more of them, shall be deemed to be and shall be accepted as the signature of the Member concerned for all purposes including the signature of any form of proxy and the signature of any resolution in writing or other document signed or approved pursuant to clause 6.19.

No Postal Votes

- 6.21 Members may not exercise the right to vote at a meeting by casting a postal vote.

Shareholder proposals

- 6.22 A Member may give written notice to the Directors of a matter the Member proposes to raise for discussion or resolution at the next meeting of Members at which the Member is entitled to vote.
- 6.23 If the notice is received by the Directors not less than 20 working days before the last day on which notice of the relevant meeting of Members is required to be given by the Directors, the Directors must, at the expense of the Company, give notice of the Member proposal and the text of any proposed resolution to all Members entitled to receive notice of the meeting.
- 6.24 If the notice is received by the Directors not less than 5 working days and not more than 20 working days before the last day on which notice of the relevant meeting of Members is required to be given by the Directors, the Directors must, at the expense of the Member, give

notice of the Member proposal and the text of any proposed resolution to all Members entitled to receive notice of the meeting.

- 6.25 If the notice is received by the Directors less than 5 working days before the last day on which notice of the relevant meeting of Members is required to be given by the Directors, the Directors may, if practicable, and at the expense of the Member, give notice of the Member proposal and the text of any proposed resolution to all Members entitled to receive notice of the meeting.
- 6.26 If the Directors intend that Members may vote on the proposal by proxy, they must give the proposing Member the right to include in or with the notice given by the Directors a statement of not more than 1,000 words prepared by the proposing Member in support of the proposal, together with the name and address of the proposing Member.
- 6.27 The Directors are not required to include in or with the notice given by the Directors a statement prepared by a Member which the Directors consider to be defamatory, frivolous, or vexatious.
- 6.28 Where the costs of giving notice of the Member proposal and the text of any proposed resolution are required to be met by the proposing Member, the proposing Member must, on giving notice to the Directors, deposit with the Company or tender to the Company a sum sufficient to meet those costs.

Corporations may act by representatives

- 6.29 A body corporate which is a Member may appoint a representative to attend a meeting of Members on its behalf in the same manner as that in which it could appoint a proxy.

Votes of joint holders

- 6.30 Where 2 or more persons are registered as the holder of a Share, the vote of the person named first in the Register and voting on a matter must be accepted to the exclusion of the votes of the other joint holders.

Meeting may regulate its own procedure

- 6.31 Except as provided in the Companies Act and in this Constitution, a meeting of Members may regulate its own procedure.

7. DIRECTORS

Number of Directors

- 7.1 The number of Directors must not be less than two.

No share qualification

- 7.2 A Director does not require a share qualification.

Appointment

- 7.3 The Parent Company may by notice to the Company appoint a person as a Director either to fill a casual vacancy or as an additional Director. Subject to clauses 7.6 and 10.1 a person appointed a Director under this clause 7.3 or clause 7.5 who is not a full-time employee of

the Parent Company or of a Subsidiary of the Parent Company holds that office for the term of three years from the date of appointment, but is eligible for re-appointment under this Constitution from the expiration of that term.

7.4 Each person holding office as a Director at the date on which the Company is reregistered under the Companies Act is to be deemed appointed by the Parent Company under clause 7.3.

7.5 The Directors may with the approval of the Parent Company appoint a person as a Director to fill a casual vacancy.

Removal

7.6 The Parent Company may by notice to the Company remove any Director from office.

8. REMUNERATION AND EXPENSES OF DIRECTORS

8.1 A Director, including a Managing Director and any other Executive Director, is entitled to be paid out of the funds of the Company as remuneration for services as a Director such sum accruing from day to day as the Parent Company determines.

8.2 If a Director, at the request of the Directors or of the Parent Company, performs additional or special duties for the Company, the Company may remunerate that Director by payment of a fixed sum or salary to be determined by the Parent Company and that remuneration may be either in addition to or in substitution for that Director's remuneration under clause 8.1.

8.3 A Director is also entitled to be reimbursed out of the funds of the Company such reasonable travelling, accommodation and other expenses as the Director may incur when travelling to or from meetings of the Directors or a Committee or when otherwise engaged on the business of the Company.

8.4 Notwithstanding clause 8.1 or 8.2, unless otherwise determined by the Parent Company, no remuneration is to be paid by the Company to a Director who is a director of the Parent Company.

9. RETIREMENT BENEFITS FOR DIRECTORS

9.1 Subject to the provisions of the Companies Act, a Director may with the prior consent of the Parent Company be paid a retirement benefit, as determined by the Directors and approved by the Members in general meeting.

9.2 A retirement benefit includes any benefit paid in consequence of or in connection with the death of the Director or loss by the Director of, or resignation by the Director from, the office of Director, or the termination of the Director's employment by the Company or any Related Company of the Company.

9.3 Where a retirement benefit is payable in consequence of the death of a Director the payment may be made to or for the benefit of the Director's legal personal representatives, widow, widower or children or other person or persons who, in the opinion of the Directors, is or are at the time of the Director's death wholly or partly dependent on the Director, or to such of them and in such shares as the Directors determine.

9.4 Where a sum becomes payable under clause 9.3 to or for the benefit of an infant:

- (a) the Company may pay that sum for the benefit of the infant to a person appearing to the Company to be a parent or guardian or other person having lawful custody or control of the infant or with whom the infant is residing;
- (b) the receipt of a person to whom a sum is paid under clause 9.4(a) is a good discharge; and
- (c) the Company is not bound to see to or inquire about the application of the sum.

9.5 The Company and a Director may enter into a contract for the purpose of providing for or giving effect to the payment of a retirement benefit in accordance with clause 9.

10. VACATION OF OFFICE AND CONFLICT OF INTEREST

Vacation of office

10.1 The office of a Director is automatically vacated:

- (a) in the case of a Director who is not a full-time employee of the Parent Company or of a Subsidiary of the Parent Company, on the expiration of three years from the date of the Director's appointment unless:
 - (i) the office of that Director has been vacated beforehand by the operation of clause 10.1(b), or
 - (ii) on or before the expiration of that period that Director has been reappointed under clause 7.3 or 7.5; or
- (b) if the Director:
 - (i) ceases to be a Director by virtue of, or becomes prohibited from being a Director because of an order made under, the Companies Act,
 - (ii) without the prior written consent of the Parent Company accepts or holds office in a corporation which carries on banking or a related business and is not the Parent Company or a Related Company of the Parent Company, or
 - (iii) is removed from office by the Parent Company in accordance with clause 7.6.

Director's Interests

10.2 A Director who is interested (as defined in section 139) in a transaction to which the Company is a party may attend a meeting of Directors at which a matter relating to the transaction arises and be included among the Directors present at the meeting for the purpose of a quorum but shall not vote on the matter nor be present while the matter is being considered at the meeting.

10.3 Notwithstanding clause 10.2 a Director shall be entitled to vote if the Director's interest is:

- (a) as a Director of the Company or of a Related Company of the Parent Company; or
- (b) as a Member in common with the other Members.

- 10.4 The Parent Company may relax or suspend the operation of clause 10.2 to any extent and either generally or in respect of any particular matter or class of matters.
- 10.5 An interested Director may, as a Director, sign any contract or other document which is executed by the Company as a deed.
- 10.6 For the purposes of section 140(1), a general notice entered in the interests register or disclosed to the directors to the effect that a Director is a shareholder, director, officer or trustee of another named company or another person and is to be regarded as interested in any transaction which may, after the date of the entry or disclosure, be entered into with that company or person, is a sufficient disclosure of interest in relation to that transaction.
- 10.7 In clause 10.5, where the context admits, "contract" includes an arrangement and a proposed contract or arrangement.

11. POWERS OF DIRECTORS

- 11.1 Subject to the provisions of the Companies Act and this Constitution the business and affairs of the Company must be managed by, or under the direction or supervision of, the Directors and the Directors have all the powers necessary for managing, and for directing and supervising the management of, the business and affairs of the Company.
- 11.2 The Directors may not sell or dispose of the Company's main undertaking without the prior written consent of the Parent Company.
- 11.3 Subject to the provisions of clause 11.5, in the exercise of their powers and the discharge of their duties the Directors shall have regard to and are responsible for the implementation by the Company of:
- (a) policies in the areas of accounting, human resources, information technology, treasury operations and the functions and operations of credit bureaux; and
 - (b) strategic plans and operations plans,
- prescribed by the Parent Company from time to time by notice in writing under clause 1.5.
- 11.4 A person dealing with the Company is not to be concerned to see or enquire as to whether the powers of the Directors have been in any way restricted hereunder or as to whether any requisite consent of the Parent Company has been obtained and no obligation incurred or security given or transaction effected by the Company to or with any third party is invalid or ineffectual unless the third party had at the time express notice that the incurring of such obligation or the giving of such security or the effecting of such transaction was in excess of the powers of the Directors.
- 11.5 A Director may not, when exercising powers or performing duties as a director, act other than in what he/she believes is the best interests of the Company.

12. PROCEEDINGS OF DIRECTORS

Meetings

- 12.1 The Directors may meet for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit.

Quorum

- 12.2 Until otherwise determined by the Directors two Directors present in person or by proxy are a quorum.

Effect of vacancy

- 12.3 The continuing Directors may act notwithstanding a vacancy in their number but, if and so long as their number is reduced below the minimum fixed by clause 7.1, the continuing Directors may, except in an emergency, act only for the purpose of filling vacancies in accordance with clause 7.5 to the extent necessary to bring their number up to that minimum or of summoning a general meeting.

Convening meetings

- 12.4 A Director may convene a meeting of the Directors.

Appointment of proxy

- 12.5 A Director may attend and vote by proxy at a meeting of the Directors if the proxy is a Director and has been appointed by writing under the hand of the appointor or by telegram, facsimile transmission or other form of visible communication from the appointor. Such an appointment may be general or for any particular meeting or meetings.

Chairperson and Deputy Chairperson

- 12.6 The Directors shall elect a Chairperson and may elect a Deputy Chairperson and may determine the period during which each is to hold office.
- 12.7 The Chairperson or Deputy Chairperson may be removed from that office by a resolution of the Directors of which not less than 14 days' notice has been given to all the Directors for the time being in New Zealand.
- 12.8 The Chairperson is entitled to preside at meetings of the Directors but, if the Chairperson is not present and able and willing to act within 15 minutes after the time appointed for a meeting or has signified an intention not to be present and able and willing to act, the following may preside (in order of entitlement): the Deputy Chairperson, a Director chosen by a majority of the Directors present.

How questions decided

- 12.9 Questions arising at a meeting of the Directors are to be decided by a majority of votes and in the event of an equality of votes the Chairperson of the meeting has a casting vote.
- 12.10 Whenever exercising a casting vote, the Chairperson shall have regard to any policies and plans referred to in clause 11.3 which are in operation at the time.

Committees

- 12.11 Subject to the provisions of the Companies Act, the Directors may delegate any of their powers to Committees consisting of such Director or Directors as they think fit and may revoke that delegation.
- 12.12 A Committee in the exercise of the powers so delegated is to conform to any regulations imposed by the Directors.

- 12.13 Subject to clause 12.12, the meetings and proceedings of a Committee consisting of two or more Directors are governed by the provisions of this Constitution as to the meetings and proceedings of the Directors so far as they are applicable.

Delegation of powers

- 12.14 Subject to the provisions of the Companies Act, the Directors may with the prior approval of the Parent Company, which approval shall not be unreasonably withheld or delayed or given by the Parent Company subject to any condition that is inconsistent with the duty of a Director under clause 11.5 not to act other than in what the Director believes is in the best interests of the Company, confer on any person or persons such of the powers conferred on the Directors by this Constitution, for such time, to be exercised for such purposes, on such terms and with such restrictions as they think fit and all or any of those powers may be conferred collaterally with but not to the exclusion of the powers of the Directors and may with the like approval be revoked or varied by the Directors. Subject to any general or specific directions given or conditions imposed by the Directors, a Managing Director may from time to time delegate to any employee of the Company any of his or her powers, including any powers delegated to him or her by the Directors.

Written resolution

- 12.15 A resolution in writing signed or approved by letter or facsimile transmission by all the Directors or all the members of a Committee, in either case being at least a quorum, is as valid and effectual as if it had been passed at a meeting of the Directors or of that Committee duly called and constituted at the time the resolution was last signed or approved by one or more of the Directors or members of that Committee.

Telephone meeting

- 12.16 For the purposes of this Constitution the contemporaneous linking together by telephone or other means of instantaneous communication ("telephone") of a number of the Directors, being at least a quorum, is to be deemed to constitute a meeting of the Directors or, as the case may be, of a Committee of Directors and all the provisions of this Constitution as to meetings of the Directors apply to such a meeting if the following conditions are met:
- (a) all the Directors entitled to notice of a meeting of the Directors or, as the case may be, of a Committee of Directors received notice of the meeting and for this purpose notice of the meeting may be given on the telephone;
 - (b) all the Directors wanting to take part in the meeting are linked by telephone for the purposes of the meeting; and
 - (c) at the commencement of the meeting each Director taking part acknowledges the respective Director's presence for the purposes of the meeting to all other Directors taking part and acknowledges that the Director is able to hear each of the other Directors taking part.
- 12.17 A Director may not leave a telephone meeting by disconnecting the telephone without the consent of the Chairperson of the meeting and a Director is to be deemed to be present and form part of the quorum throughout the meeting unless the Director has obtained the consent of the Chairperson of the meeting to leave the meeting.

- 12.18 A minute of the proceedings at a telephone meeting is sufficient evidence of the proceedings and the observance of all necessary formalities if it is certified as a correct minute by the Chairperson of the meeting or of the next following meeting.

Validity of acts of Directors

- 12.19 All acts of the Directors, a Committee or a person acting as a Director or Committee or member of a Committee are valid notwithstanding that it is afterwards discovered that there was some defect in the appointment, election or qualification of them or any of them or that they or any of them were disqualified or had vacated office.

13. MANAGING AND EXECUTIVE DIRECTORS

Appointment and removal

- 13.1 The Directors may, on the recommendation of the Parent Company, appoint one or more of their number to the office of Managing Director or Executive Director either for a fixed term or without limitation as to period of appointment but not for life, and may with the approval remove a person so appointed and appoint another instead. Nothing in this clause shall require a Director to act on a recommendation of the Parent Company if the Director believes that acting on the recommendation would be inconsistent with the duty of the Director under clause 11.5 not to act other than in what the Director believes is in the best interests of the Company.
- 13.2 A Managing Director or Executive Director, subject to the provisions of any contract with the Company, is subject to the same provisions as to resignation and removal as the other Directors and automatically ceases to be a Managing Director or Executive Director on ceasing to be a Director.

14. ALTERNATE DIRECTORS

- 14.1 A Director ("appointor") may by writing under the appointor's hand or by telegram, facsimile or other form of visible communication, appoint a person approved by the Parent Company to act as an Alternate Director in the appointor's place whether for a stated period or periods or until the happening of a specified event or from time to time.
- 14.2 An Alternate Director:
- (a) may be removed or suspended from office by the Parent Company by notice in writing given under its common seal or signed as provided by clause 1.5(b);
 - (b) subject to this Constitution is entitled to receive notice of meetings of the Directors and to attend and vote if the appointor is not present and, if also a Director in the Alternate Director's own right or Alternate Director for another Director as well, to have a separate vote on behalf of the appointor in addition to the Alternate Director's own or that other Director's vote;
 - (c) may exercise all the powers and perform all the duties of the appointor (other than the power to appoint an Alternate Director and any additional powers and duties specifically vested in or delegated to a Managing Director or Executive Director in his capacity as such) insofar as the appointor has not exercised or performed them;

- (d) automatically ceases to be an Alternate Director if the appointor ceases to be a Director;
- (e) whilst acting as a Director is responsible to the Company for the Alternate Director's own acts and defaults and the appointor is not responsible for them;
- (f) may not receive any remuneration from the Company as a Director except for any special services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director; and
- (g) may not be taken into account separately from the appointor in determining the number of Directors.

15. POWERS OF ATTORNEY

- 15.1 The Directors may by revocable or irrevocable power of attorney appoint a person to be the attorney of the Company for such purposes and with such powers (not exceeding those conferred on the Directors by this Constitution and the Companies Act) and for such period and subject to such conditions as the Directors think fit.
- 15.2 Any such appointment may be made in favour of a body corporate or of the members, directors, nominees or managers of a body corporate or firm or in favour of a fluctuating body of persons whether nominated directly or indirectly by the Directors and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with the attorney as the Directors think fit.
- 15.3 Any such attorney may be authorised to sub-delegate all or any of the powers vested in that person.

16. NEGOTIABLE INSTRUMENTS

- 16.1 Cheques, bills of exchange, promissory notes and other negotiable instruments may be signed, accepted, drawn, made or indorsed on behalf of the Company in such manner and by such persons (whether Directors or officers of the Company or not) as the Directors determine but not otherwise.

17. RESERVES

- 17.1 The Directors may with the prior approval of the Parent Company before authorising or paying a dividend set aside out of the profits of the Company such sums as they think proper as reserves to be applied, at the discretion of the Directors, for any purpose for which the profits of the Company may properly be applied.
- 17.2 The Directors may carry forward so much of the profits remaining as they consider ought not to be distributed as dividends, without transferring those profits to a reserve.

18. DIVIDENDS

Calculation and apportionment

- 18.1 Subject to this Constitution and the provisions of the Companies Act, the Directors, with the prior approval of the Parent Company, may make such distributions by way of dividend to the Members as they think fit.
- 18.2 Except in the case of Shares issued on terms providing to the contrary, all dividends are to be apportioned and paid proportionately to the amounts Paid on the Shares during any portion or portions of the period in respect of which the dividend is authorised.

Directors' powers

- 18.3 The power to authorise dividends, pay interim dividends and fix the time for their payment is, subject to clause 18.1, vested in the Directors.
- 18.4 A dividend does not bear interest against the Company.

Effect of transfer

- 18.5 A transfer of Shares does not pass the right to a dividend or other distribution authorised or made on them after the transfer and before its registration.

Distribution of specific assets

- 18.6 The Directors, when authorising a dividend or paying an interim dividend, may with the prior approval of the Parent Company resolve that the dividend be satisfied either wholly or partly by the distribution of specific assets to some or all of the persons entitled to the dividend, including Paid shares in or debentures of any other body corporate, and may direct that the dividend payable in respect of any particular Shares be satisfied wholly or partly by such a distribution and that the dividend payable in respect of other Shares be paid in cash.
- 18.7 If a difficulty arises in regard to such a distribution, the Directors may with the prior approval of the Parent Company settle the matter as they consider expedient and fix the value for distribution of the specific assets or any part of those assets and may determine that cash payments will be made to any Members on the basis of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as the Directors consider expedient.

19. CAPITALIZATION OF PROFITS

- 19.1 The Directors may with the prior approval of the Parent Company resolve that any moneys, investments or other assets:
- (a) forming part of the undivided profits of the Company;
 - (b) standing to the credit of a reserve; or
 - (c) in the hands of the Company and available for dividend,

be capitalized and applied, in any of the ways mentioned in clause 19.2, for the benefit of such of the Members as would have been entitled to receive them if distributed by way of

dividend and in the proportions to which those Members would have been entitled in such a distribution.

19.2 The ways in which moneys, investments or other assets referred to in clause 19.1 may be applied for the benefit of Members under that clause are:

- (a) in paying any amounts unpaid on Shares held by Members;
- (b) in paying up in full Shares or debentures to be issued to Members as fully paid; or
- (c) partly as mentioned in clause 19.2(a) and partly as mentioned in clause 19.2(b).

20. INSPECTION OF BOOKS

20.1 In addition to those persons entitled pursuant to the provisions of the Companies Act, any person authorised by the Parent Company may at any time inspect the books and documents of the Company or any of them.

21. MINUTES

21.1 The Directors shall cause minutes to be made in books kept for the purpose:

- (a) of all appointments of officers made by the Directors; and
- (b) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the Directors, and of Committees of Directors, including the names of the Directors present at each such meeting.

22. LIQUIDATION

Distribution of surplus assets

22.1 Subject to the terms of issue of any Shares and to clause 22.2, upon the liquidation of the Company the assets, if any, remaining after payment of the debts and liabilities of the Company and the costs of the liquidation shall be distributed among the Members in proportion to their shareholding provided, however, that the holder of Shares not fully Paid shall receive only a proportionate share of his or her entitlement being an amount which is in proportion to the amount paid to the Company in satisfaction of the liability of the Member to the Company in respect of the Shares pursuant to the terms of issue of the Shares.

Distribution in specie

22.2 Upon a liquidation of the Company, the liquidator, with the sanction of an ordinary resolution of Members and any other sanction required by law, may divide amongst the Members in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as the liquidator deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the Members as the liquidator thinks fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

23. INDEMNITY AND INSURANCE

23.1 Subject to the provisions of the Companies Act, the Company may give such indemnities and effect such insurances as the Directors deem appropriate including the indemnities referred to in sections 162(3) and (4) and the insurance referred to in section 162(5) of the Companies Act.

24. ACQUISITION OF COMPANY'S OWN SHARES

Authority to acquire own shares

24.1 The Company is permitted to purchase or otherwise acquire Shares.

Acquisition other than pro-rata

24.2 The Directors may make an offer to one or more Members to acquire Shares.

Treasury Stock

24.3 The Company may hold Shares. The transfer by the Company of Shares shall be subject to the provisions of this Constitution relating to the issue of Shares.