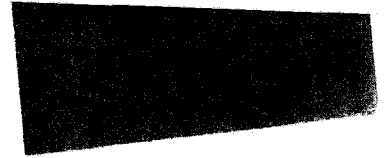




10059929116



Asset Finance Limited

and

Covenant Trustee Company Limited

**Deed of Amendment to Debenture Trust Deed
(Reserve Bank Act)**

BUSINESS & REGISTRIES
BRANCH, AUCKLAND.

23 DEC 2010

RECEIVED

This **Deed of Amendment** is made on 1 December 2010

between (1) **Asset Finance Limited (the Company)**
and (2) **Covenant Trustee Company Limited (the Trustee).**

Introduction

- A. The Company and the Trustee are parties to a Debenture Trust Deed dated 15 March 2004 (the **Trust Deed**).
- B. The Deposit Takers (Credit Ratings, Capital Ratios and Related Exposure) Regulations 2010 and the Deposit Takers (Liquidity Requirements) Regulations 2010 require certain amendments to be made to the trust deeds of all deposit takers (as defined in section 157C of the Reserve Bank of New Zealand Act 1989).
- C. The Company is a deposit taker.
- D. Accordingly, the Trustee and the Company have agreed to enter into this Deed to amend the Trust Deed to include the restrictions provided by the regulations referred to in B above and certain other matters provided by the Reserve Bank of New Zealand Act 1989.

It is agreed

1. Definitions

Terms defined in the Trust Deed have the same meanings where used in this Deed.

2. Amendments to the Trust Deed

With effect from the date of this Deed, the Trust Deed is amended by

2.1 Changes to definitions

deleting the definitions of "Family Member", "Related Party", "Related Party Transaction" and "Value of Related Party Transaction" in clause 1.2 and inserting the following new definitions:

Aggregate Related Party Exposures means the aggregate of exposures of the Charging Group to Related Parties calculated in accordance with Regulations 24 to 27;

Capital means the capital of the Company calculated in accordance with Regulation 10;

Capital Ratio is the ratio, expressed as a percentage, of the Company's Capital to an amount representing the degree of the risk to which the Charging Group is exposed calculated in accordance with Regulations 9 to 21;

Credit Rating means a rating of the Company's creditworthiness that complies with section 1571 of the Reserve Bank Act;

Liquidity Position means the position as disclosed in item 17 of the form of liquidity report attached as an appendix to this Deed or disclosed by methodology agreed between the Trustee and the Company if the parties agree on a different form of liquidity report;

Liquidity Report means a liquidity report delivered to the Trustee under clause 6.1(i)(ii);

Qualifying Interest, in relation to a specified security, means:

- (a) the legal or beneficial ownership of the specified security; or
- (b) the power to exercise, or control the exercise of, any voting right attached to the specified security; or
- (c) the power to acquire or dispose of the specified security; or
- (d) the power to control the acquisition or disposition of the specified security by another person; or
- (e) the powers referred to in paragraphs (b) to (d) above under, or by virtue of, any trust, agreement, arrangement, or understanding relating to the specified security;

Regulations means the Deposit Takers (Credit Ratings, Capital Ratios, and Related Party Exposures) Regulations 2010;

Relative, in relation to any person, means:

- (a) that person's spouse, civil union partner, or de facto partner; and
- (b) any parent (including step-parent), brother, sister, or child (including stepchild) of that person; and
- (c) any parent (including step-parent), brother, sister, or child (including stepchild) of that person's spouse, civil union partner, or de facto partner;

Reserve Bank Act means the Reserve Bank of New Zealand Act 1989;

Senior Office Holder means:

- (a) in relation to the Company, means a person occupying a position that allows the person to exercise significant influence over the management or administration of the Company (for example, a chief executive or a chief financial officer); and
- (b) includes any class or classes of persons declared by statutory regulations to be senior office holders for the purposes of Part 5D of the Reserve Bank Act; but
- (c) does not include any class or classes of persons declared by statutory regulations not to be senior office holders for the purposes of Part 5D of the Reserve Bank Act;

2.2 Changes to interpretation

inserting the following new paragraphs in clause 1.3:

A person (A) is a Related Party of the Company if:

- (a) A is a director of the Company or of a Charging Group Member;*
- (b) A is a Senior Office Holder of the Company or of a Charging Group Member;*
- (c) A is a relative of a director or Senior Office Holder of the Company or of a Charging Group Member;*
- (d) A is a subsidiary of the Company or of a Charging Group Member;*
- (e) A has a substantial interest in the Company or in a Charging Group Member;*
- (f) the Company or a Charging Group Member has a substantial interest in A;*
- (g) another person with a substantial interest in the Company or a Charging Group Member has a substantial interest in A;*
- (h) 40% or more of A's governing body are the same persons as 40% or more of the governing body of the Company or of a Charging Group Member (or of another person that has a substantial interest in the Company or in a Charging Group Member).*

A person (X) has a substantial interest in another person (an entity) if:

- (a) the entity is a company and X:
 - (i) owns, or in any way has the power to control (whether directly or indirectly), or has the right to acquire, 10% or more of the ordinary shares of the entity; or*
 - (ii) owns, or in any way has the power to control (whether directly or indirectly), or has the right to acquire, 10% or more of the voting rights of the entity; or*
 - (iii) has, by any other means, 10% or more of the control of the entity;**
- (b) the entity is not a company and X:
 - (i) is in a position to control (whether directly or indirectly) 10% or more of the voting rights in relation to the entity; or*
 - (ii) has, by any other means, 10% or more of the control of the entity;**
- (c) X has control (whether directly or indirectly) or significant influence over 25% or more of the composition of the governing body of the entity.*

2.3 Amendment to clause 2.1(b)

Adding after the words "clause 5.1" in clause 2.1(b) the words "or clause 5.1A";

2.4 **New clause 5.1A**

including a new clause 5.1A as follows:

5.1A Financial Limitations and other requirements of the Reserve Bank Act

The Company and each of the other Charging Group Members covenants with the Trustee that, at all times:

(a) **Minimum Capital Ratio**

the Company will maintain a Capital Ratio of:

- (i) *not less than 8%, if the Company has a Credit Rating; and*
- (ii) *not less than 10%, if the Company does not have a Credit Rating;*

(b) **Related Party Exposures**

the Company will ensure that the Aggregate Related Party Exposures of the Charging Group do not exceed 15% of Capital;

(c) **Liquidity**

the Company will manage its liquidity to ensure that, for each of the first 3 months of each monthly Liquidity Report, the Company's projected Liquidity Position is positive. A breach of this clause is an event of review under clause 8.1A; and

(d) **Governance**

*the Company will advise the Trustee if at any time the Board does not include at least 2 independent Directors or the chairperson of the board is an employee of either the Company or a Related Party of the Company. For the purposes of this clause, an **independent director** means a director that:*

- (i) *is not an employee of either the Company or a Related Party of the Company; and*
- (ii) *is not a director of a Related Party of the Company; and*
- (iii) *does not, directly or indirectly, have a Qualifying Interest in more than 10% of the voting securities of the Company or a Related Party of the Company.*

2.5 **Deletion of clause 5.2(b)**

deleting clause 5.2(b) (Restriction on Related Party Transactions);

2.6 **Amendment to clause 6.1(h)**

adding at the end of clause 6.1(h), the words "*or such other form as the Trustee and the Company shall agree*";

2.7 Amendments to clause 6.1(i)

deleting clause 6.1(i)(ii) and adding the following new paragraphs (ii) to (v) to clause 6.1(i):

- (ii) *a liquidity report of the Charging Group for that month in the form set out in Schedule 6 or such other form as the Trustee and the Company shall agree;*
- (iii) *a capital adequacy report as at the end of that month in such form as the Trustee may reasonably require;*
- (iv) *a trust deed financial ratio compliance report as at the end of that month in such form as the Trustee may reasonably require;*
- (v) *to the extent not detailed above, the reports required by clause 4 of Schedule 15 to the Securities Regulations 2009, in each case in such form as the Trustee may reasonably require;*

2.8 Amendment to clause 6.1(k)

adding after the words "limits imposed by clause 5.1" in clause 6.1(k), the words "or clauses 5.1A(a) or (b)";

2.9 Amendment to clause 8.1(b)

deleting clause 8.1(b) and replacing it with the following new clause 8.1(b):

a Charging Group Member does not perform or comply with any of its obligations under clauses 5.1, 5.1A(a), 5.1A(b) or 5.2 or a default notice is served under clause 8.1A(d);

2.10 Events of Review

including a new clause 8.1A as follows:

8.1A Events of Review

(a) *If at any time:*

- (i) *the Company's Capital Ratio is within 2% of the minimum percentage in clause 5.1A (for example if the Capital Ratio in clause 5.1A(a)(i) is 10%) and the Trustee has reasonable grounds to believe that the Company is likely to breach the covenant within the next 6 months; or*
- (ii) *a Liquidity Report delivered under clause 6.1(i)(ii) discloses that the Company's projected Liquidity Position for any of the first 3 months of that Liquidity Report is negative,*

then the Trustee shall promptly notify the Company.

- (b) *The Company shall consult with the Trustee for the period of not less than 10 and not more than 20 Business Days immediately following the receipt of such notification with a view to agreeing on any action to be taken by the Company to avoid the breach*

described in clause 8.1A(a)(i) occurring or to avoid the Company's actual Liquidity Position for any monthly period described in clause 8.1A(a)(ii) being negative.

- (c) *If at the end of the 20 Business Day period, the Trustee is not satisfied with the action which the Company has agreed to take will avoid the breach described in clause 8.1A(a)(i) occurring or to avoid the Company's actual Liquidity Position for any monthly period described in clause 8.1A(a)(ii) being negative, the Trustee may serve a default notice on the Company.*
- (d) *If such a default notice is served by the Trustee on the Company pursuant to this clause 8.1A, then an Event of Default shall be deemed to have occurred under clause 8.1(b) on the date of service of such notice.*

2.11 New Quarterly Report

deleting the form of quarterly report in Schedule 5 and replacing it with a new form attached as appendix 1 to this Deed;

2.12 New Liquidity Report

deleting the form of monthly liquidity report in Schedule 6 and replacing it with a new form attached as appendix 2 to this Deed;


3. Trust Deed to remain in full force and effect

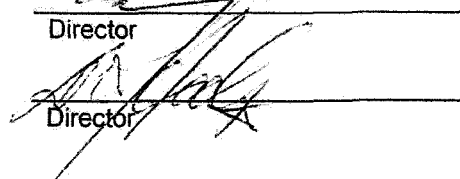
Subject only to the amendments in clause 2 of this Deed, the Trust Deed shall remain in full force and effect and shall be read and construed as if the amendments were included in the Trust Deed.

Execution

Executed as a deed


Asset Finance Limited by



Director


Director

**Covenant Trustee Company
Limited by**



Witness Signature

Witness Name

Occupation RICHARD B SPONG
 CHARTERED ACCOUNTANT

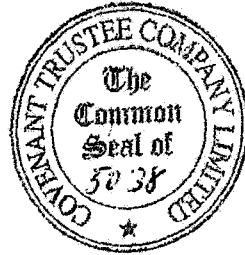
Address AUCKLAND



Director

T.C.S. LOCKHART

Name



Appendix 1
New Schedule 5 - Directors' Quarterly Report

ASSET FINANCE LIMITED
(the "Company")

Directors' Quarterly Report as at [end of financial quarter] ("Relevant Date")

Covenant Trustee Company Limited

We refer to the Debenture Trust Deed dated 15 March 2004 between the Company and yourselves as trustee. Terms defined in the Trust Deed have the same meanings where used in this report. The undersigned, being two directors of the Company, certify on behalf of all the Directors of the Company as follows, as at the Relevant Date:

1. Having considered the financial position (including contingent liabilities) of the Charging Group as a going concern (which the Directors are satisfied will be the case over the relevant period) and such budgets, reports, projections, certificates and assurances as it deems necessary and the anticipated trading transactions and sources of finance arranged or expected on reasonable grounds to be arranged during the 12 months from the Relevant Date, to the best of the Directors' knowledge and belief:
 - (a) the Charging Group will be able to meet all its Liabilities (including maturing Stock and interest on Stock) which fall due or are anticipated to become payable during the 12 Months from the Relevant Date in accordance with accepted commercial practice; and
 - (b) the Company and each member of the Charging Group meets the Solvency Test (as defined in section 4 of the Companies Act 1993).
2. To the best of the Directors' knowledge and belief after having made all due enquiry:
 - (a) all Stock which has fallen due for payment (and in respect of which there are no arrangements to leave such Stock remaining owing on other terms as to repayment) has been paid or otherwise satisfied;
 - (b) all interest due on such Stock has been paid or otherwise satisfied;
 - (c) the Company or its agent has duly maintained and had audited at least annually the Register;
 - (d) the Charging Group has complied with the provisions of clause 5.1 and 5.1A of the Trust Deed;
 - (e) the Company and each of the other Charging Group Members has duly observed and performed all the provisions binding upon them respectively under the Trust Deed or any security collateral thereto;
 - (f) there has been no change in any accounting method or method of valuation of the Secured Property or Liabilities or in the criteria applied in deciding whether debts should be written off or not; *[if any change has been made, a statement to that effect with particulars]*

- (g) no material trading or capital loss has been sustained by the Company or any other Charging Group Member; *[If any loss has been sustained, a statement to that effect with particulars]*
- (h) no Liabilities arising from guarantees, indemnities or contingent liabilities have been incurred during the 3 months ending on the Relevant Date; *[If any Liabilities has been incurred, a statement to the effect with details]*
- (i) no Liabilities arising from guarantees, indemnities or contingent liabilities will or are likely to mature in the 12 months from the Relevant Date which will materially affect the Company or its ability to repay any Stock maturing or interest payable during that period;
- (j) no circumstances have occurred which materially adversely affect the security created by the Trust Deed or the likelihood of the Stockholders being paid in full;
- (k) no circumstances have arisen which render adherence to any existing method of valuation of assets or Liabilities misleading or inappropriate;
- (l) no event has happened which could cause the Stock to become repayable before due date;
- (m) there has not been any substantial change in the nature of the business of the Company or of any of its Subsidiaries;
- (n) the rental paid to a Related Party in respect of the Company's office accommodation was at arms length market rates;
- (o) no Subsidiaries have been formed or acquired which are not Charging Subsidiaries;
- (p) the Company's current prospectus is up to date and is not false or misleading in any material respect;
- (q) the Company has adopted a risk management programme which complies with section 157M of the Reserve Bank Act and which has been approved by the Trustee;
- (r) any material amendments made to the Company's risk management programme have been approved by the Trustee;
- (s) no circumstances have occurred which require the Company to amend the Company's risk management programme;
- (t) in carrying on its business, the Company has at all times complied with the Company's risk management programme;
- (u) no events of review as described in clause 8.1A(a) have occurred; and
- (v) the Company is in compliance with all requirements of Part 5D of the Reserve Bank Act and in particular section 157L (governance requirements) *[other than give particulars]*.

DATED

.....
Director

.....
Director

Appendix 2
New Schedule 6 – Monthly Liquidity Report

Quantitative Liquidity Model

Company:

Date:

To COVENANT TRUSTEE COMPANY LIMITED

The undersigned, being two directors of the Company, certify on behalf of all the directors of the Company that, having considered the financial position of the [Charging Group], the anticipated trading transactions and sources of finance arranged or expected on reasonable grounds to be arranged and all other relevant factors, and based on the assumptions set out below (which the directors consider to be reasonable), the following cashflows are a reasonable projection of the expected cashflows of the [Charging Group] for each of the periods set out below.

Receivables Call - 1 Month Month 2 Month 3 Months 3-6 Months 7-12 Months 13-24

1 Likely Effective Maturity
Contractual

Stress Scenario - Defaulting Loans 0%

Stress Scenario - Illiquidity 0%

Maturities Call - 1 Month Month 2 Month 3 Months 3-6 Months 7-12 Months 13-24

2 Maturing Stock

Reinvestment rate Call - 1 Month Month 2 Month 3 Months 3-6 Months 7-12 Months 13-24

3 Likely Effective Reinvestment rate
Historical Reinvestment rates

Stress Scenario - Reinvestment 0%

Inflows Call - 1 Month Month 2 Month 3 Months 3-6 Months 7-12 Months 13-24

4 Likely Effective Maturity (from 1 above) - - - - - -

Impact of Stress Scenario - Defaulting Loans - - - - - -

Impact of Stress Scenario - Illiquidity - - - - - -

5 New investments

Stress Scenario - New Investments 0%

Impact of Stress Scenario - New Investments - - - - - -

6 Other inflows

Total Inflows 0 0 0 0 0 0

Outflows Call - 1 Month Month 2 Month 3 Months 3-6 Months 7-12 Months 13-24

7 Maturities less reinvestment - - - - - -

Impact of Stress Scenario - Reinvestment - - - - - -

8 Normal Lending

9 Overheads

10 Other outflows

Total Outflows - - - - - -

Cash and Cash Equivalents Call - 1 Month Month 2 Month 3 Months 3-6 Months 7-12 Months 13-24

11 Opening Cash	-	-	-	-	-	-
12 Add Inflows	-	-	-	-	-	-
13 Less Outflows	-	-	-	-	-	-
14 Closing Cash	-	-	-	-	-	-
15 Readily realisable investments						
16 Undrawn amount of any available committed standby facility as at the Relevant Date						

Stress Scenario - Funding Line 0%

Impact of Stress Scenario - Funding line withdrawal - - - - - -

Liquidity Call - 1 Month Month 2 Month 3 Months 3-6 Months 7-12 Months 13-24

17 Liquidity	-	-	-	-	-	-
18 Stressed Liquidity	-	-	-	-	-	-

Quantitative liquidity measure:
Forecast Liquidity (17) must be positive for all periods Call - Three Months

Stress Scenario's	Reinvestment	Funding	Defaults	Illiquidity	New Investments
	11 (2) (a)	11 (2) (b)	11 (2) (c)	11 (2) (d)	11 (2) (a)
Stress Scenario 1 - No Stress	0%	0%	0%	0%	0%
Stress Scenario 2	0%	0%	0%	0%	0%
Stress Scenario 3	0%	0%	0%	0%	0%
Stress Scenario 4	0%	0%	0%	0%	0%
Stress Scenario 5	0%	0%	0%	0%	0%

Stress Scenario's are to be amended to suit the Company and considered in line with the Company's risk management programme

Notes:

- 15 Readily realisable investments includes:
1. Cash (notes, coin, and gold bullion held by charging group member onsite)
 2. Claims on the Crown, Reserve Bank and Public sector entities
 3. Claims on New Zealand registered banks
 5. Claims on listed instruments (with a rating of S&P BBB or higher)

16 Undrawn balance of a committed lines are only available for the period the line is irrevocable

Date

Signed by two Directors on behalf of all Directors

Director

Director

Ministry of Economic
Development



Manatū Ōhanga

Companies Office

CERTIFICATE OF REGISTRATION OF DEED OF AMENDMENT TO TRUST DEED

(Under Section 47(4) of the Securities Act 1978)

ASSET FINANCE LIMITED
455363

This is to certify that a copy of a Deed of Amendment dated the 1st day of December 2010 entered into between ASSET FINANCE LIMITED (the Company) and COVENANT TRUSTEE COMPANY LIMITED (the Trustee) in relation to a Debenture Trust Deed dated the 15th day of March 2004, was registered on the 23rd day of December 2010.

Neville Harris
Registrar of Companies
Dated this 11th day of January 2011

