

**DEED OF PRIORITY (PPSA AND NON-PPSA) – THREE SECURED PARTIES
SCHEDULE**

SUBORDINATION – COLLATERAL

1. Each of the Second Secured Party's and the Third Secured Party's respective security interests in the Collateral are subordinated to the First Secured Party's security interest in the Collateral for the purposes of section 70 of the PPSA.
2. If required by the First Secured Party, the Second Secured Party and the Third Secured Party will immediately register a financing change statement or statements in relation to that subordination.
3. The Third Secured Party's security interest in the Collateral is subordinated to the Second Secured Party's security interest in the Collateral for the purposes of section 70 of the PPSA.
4. If required by the Second Secured Party, the Third Secured Party will immediately register a financing change statement or statements in relation to that subordination.
5. If at any time, a Secured Party has received by way of payments made in accordance with the terms of the Document the lesser of:
 - (a) the total amount secured, whether actually or contingently, under that Secured Party's Securities at that time; and
 - (b) its Priority Amount under the Document,

that Secured Party will, if required by a Secured Party whose Securities have priority, (in this clause 5, a "**Prior Secured Party**") immediately register a financing change statement or statements recording the subordination of its Securities to the relevant Prior Secured Party's Securities for the purposes of section 70 of the PPSA.

EXTENT OF PRIORITIES BETWEEN SECURED PARTIES

Priority amounts

6. The First Secured Party Securities, and all moneys from time to time secured under them, will, in respect of the Collateral and Other Property, have first priority over the Second Secured Party Securities and the Third Secured Party Securities for an amount not exceeding the First Secured Party Priority Amount.
7. The Second Secured Party Securities, and all moneys from time to time secured under them, will, in respect of the Collateral and Other Property, have second priority over the Third Secured Party Securities for an amount not exceeding the Second Secured Party Priority Amount.
8. The Third Secured Party Securities, and all moneys from time to time secured under them, will, in respect of the Collateral and Other Property, have third priority for an amount not exceeding the Third Secured Party Priority Amount.
9. Subject to clauses 6, 7, and 8;
 - (a) the First Secured Party Securities will, in respect of the Collateral and Other Property, have priority over the Second Secured Party Securities and the Third Secured Party Securities for the balance (if any), of the moneys from time to time, secured by, and outstanding under, the First Secured Party Securities; and
 - (b) the Second Secured Party Securities will, in respect of the Collateral and Other Property, have priority over the Third Secured Party Securities for the balance (if any), of the moneys from time to time, secured by, and outstanding under, the Second Secured Party Securities.

10. Nothing in the Document prevents a Secured Party from enforcing any Security in accordance with its terms.

PARAMOUNTCY AS BETWEEN SECURED PARTIES

11. These subordination and priority arrangements will have effect despite anything (including, but not limited to, in the case of Other Property, any application of the rule in *Clayton's Case* (1816) 1 Mer. 529 or the rule in *Hopkinson v Rolt* (1861) 9 H.L. Cas. 514) that might alter or affect the priorities provided by these arrangements, except to the extent that:

- (a) a security interest or Security is not legally enforceable; or
- (b) a Security has been released and has not been legally and effectively reinstated against the Debtor,

provided that:

- (i) if a Secured Party's security interest in the Collateral or its security in the Other Property is not perfected or not continuously perfected; or
- (ii) if a Secured Party's financing statement in relation to that Secured Party's security interest in the Collateral is held to be seriously misleading for the purposes of the PPSA; or
- (iii) if a Secured Party takes, or omits to take, any other steps,

so that a security of a third party has priority over a Security of that Secured Party, then nothing in these subordination and priority arrangements will oblige either of the other Secured Parties to do or suffer anything in relation to the affected Collateral or Other Property inconsistent with the relevant other Secured Party's priority position outside of these arrangements where that priority position is or would be more favourable to that other Secured Party than under these arrangements.

12. Any provision in any Security, or any other agreement or arrangement entered into before the date of the Document, which is inconsistent with these subordination and priority arrangements, will be superseded or varied to the extent necessary to give full effect to these arrangements.

PRIORITY INSTRUMENT – OTHER PROPERTY

13. If a Secured Party and/or the Debtor is required by a Secured Party whose Securities in any Other Property have priority, it will immediately sign, and consent to the registration in the relevant register of, a priority instrument under which the Secured Party whose Securities have priority is granted priority in any Other Property where registration of a priority instrument is provided for.

LOWER PRIORITY OVER THIRD PARTY IN RESPECT OF OTHER PROPERTY

14. If, in respect of any one or more of a Secured Party's Securities over any Other Property, the amount by which that Secured Party is entitled under any law to be paid in priority to any third party in respect of that Other Property ("**Other Party Priority Amount**") is less than that Secured Party (a "**Relevant Secured Party**") Priority Amount, then notwithstanding any other provision of the Document the priority of the Relevant Secured Party over any other Secured Party whose Securities rank behind the Relevant Secured Party's Securities in respect of that Other Property shall be limited to the Other Party Priority Amount.

DISCHARGE OF SECURITIES

15. If, at any time, a Secured Party (in this clause 15, a "**Selling Secured Party**") (or a receiver appointed by the Selling Secured Party) disposes of any land and/or Collateral under the power of sale contained in its Securities or by law, each other Secured Party whose Securities have priority over the Selling Secured Party's Securities (each a "**Prior Secured Party**") will provide the Selling Secured Party (or receiver) with:
- (a) a registrable discharge and/or release of its Securities in respect of any such land which is being disposed of (if any) (but not any other property); and
 - (b) a release of its security interest over any such Collateral which is being disposed of (if any),
- upon payment by the Selling Secured Party (or receiver) to it of the lesser of:
- (a) the total amount outstanding under the relevant Prior Secured Party's Securities at the date on which that payment is to be made; and
 - (b) the relevant Prior Secured Party's Priority Amount.
16. If, at any time, a receiver appointed by a Secured Party (in this clause 16, a "**Selling Secured Party**") whose Securities have priority over the Securities of another Secured Party (each a "**Subsequent Secured Party**") disposes of any land, which is Other Property, under the power of sale contained in the Selling Secured Party's Security or by law, each Subsequent Secured Party will provide the Selling Secured Party (or receiver) with a registrable discharge and/or release of its Securities in respect of that land (but not any other property).
17. No Secured Party shall be obliged by the Document to provide a registrable discharge and/or release of its Securities or any security interest other than as expressly required under clause 15 or clause 16.

DIRECTION TO PAY

18. In the event that:
- (a) a liquidator, official assignee, administrator, receiver, or similar person appointed or acting in respect of the Debtor (in each case, acting with the prior consent of the Secured Parties if such consent is required); or
 - (b) a person with a power of sale in respect of any Collateral or any Other Property whose securities have priority to the Secured Parties' Securities in respect of the relevant Collateral or Other Property,
- sells any Collateral or any Other Property, each Secured Party agrees for the benefit of the other that it shall irrevocably and unconditionally authorise and direct that person to pay the proceeds of the realisation of the relevant Collateral and/or Other Property in accordance with the provisions of the Document.
19. The proceeds of realisation of any Collateral or Other Property by a Secured Party or by any of the persons referred to in clause 18 will be applied, subject to any claims having priority at law, in payment of:
- (a) First - money secured by the First Secured Party Securities up to the First Secured Party Priority Amount;
 - (b) Second - money secured by the Second Secured Party Securities up to the Second Secured Party Priority Amount;
 - (c) Third - money secured by the Third Secured Party Securities up to the Third Secured Party Priority Amount;

- (d) Fourth - all other money (including interest) secured by the First Secured Party Securities;
- (e) Fifth - all other money (including interest) secured by the Second Secured Party Securities;
- (f) Sixth - all other money (including interest) secured by the Third Secured Party Securities;

and then in payment to those entitled to any surplus.

20. If:

- (a) a Secured Party (a "**Recovering Secured Party**") receives any amount representing all or part of the proceeds of realisation of any Collateral or Other Property by any of the persons referred to in clause 18; and
- (b) the amount received by the Recovering Secured Party exceeds the amount that it would have been entitled to had the relevant amount been distributed in accordance with clause 19 (the amount of such excess being the "**Excess Amount**"),

then the Recovering Secured Party shall, subject to any claims having priority at law, hold the Excess Amount on trust for the Secured Party (or Secured Parties) who would have been entitled to it had the relevant amount been distributed in accordance with clause 19 and shall promptly pay it to such Secured Party (or Secured Parties).

21. For the avoidance of doubt, where the proceeds of realisation of any sale are distributed in accordance with clause 19 and applied in accordance with clause 22, such proceeds shall be distributed and applied as though any Securities which were required to be released had not been released or discharged.

REDUCTION IN PRIORITY AMOUNT

22. On receipt of an amount by a Secured Party pursuant to clause 19 or clause 20, that Secured Party will apply the amount received in accordance with the terms of the relevant facility and/or Securities, or otherwise:
- (a) First – in payment of any Relevant Costs secured by the relevant Securities; and
 - (b) Second – in payment of any other outstanding amounts that are secured by the relevant Securities and form part of its Priority Amount.
23. Upon an amount being applied in accordance with clause 22 (other than an amount which is applied against Relevant Costs), the First Secured Party Primary Amount, the Second Secured Party Primary Amount or the Third Secured Party Primary Amount (as applicable) shall, with effect from the date of the relevant payment, be reduced by an amount equal to that amount (subject always to such amount not being avoided under any law of insolvency).

COUNTERPARTS

24. The Document may be executed in any number of counterparts each of which will be deemed an original and together will constitute a single document. Any party may enter into the Document by signing any counterpart and may rely on a facsimile copy of a counterpart signed by any other party. No party will be bound by the Document until all parties have duly executed and delivered the Document.

TRANSFER OR ASSIGNMENT

25. No Secured Party will transfer or assign any interest or right in or to any of that Secured Party's Securities to any person unless that person has agreed to be bound by the Document.

GOVERNING LAW AND JURISDICTION

26. New Zealand law governs the Document, and the Secured Parties submit to the non-exclusive jurisdiction of the courts of New Zealand.

DELIVERY

27. For the purposes of Section 9 of the Property Law Act 2007, and without limiting any other mode of delivery, the Document will be delivered by each of the parties hereto (each a "**Delivering Party**") immediately on the earlier of:
- (a) physical delivery of an original of the Document executed by the relevant Delivering Party into the custody of the other party or other party's solicitors; or
 - (b) transmission by the relevant Delivering Party or its solicitors (or any other persons authorised in writing by the relevant Delivering Party) of a facsimile, photocopied or scanned copy of an original of the Document, executed by the relevant Delivering Party, to the other party or other party's solicitors.

INTERPRETATION

28. In addition to the definitions set out in the document ("**Document**") which incorporates this schedule of terms:

First Distribution Date	The first date on which the proceeds of realisation of any Collateral or Other Property are distributed in accordance with the terms of the Document.
First Secured Party Primary Amount	<p>At any time, the aggregate of:</p> <ul style="list-style-type: none">(a) the First Secured Party Amount; and(b) an amount equivalent to the notional amount of interest, calculated at the highest rate payable by the Debtor to the First Secured Party immediately before the First Distribution Date, which would accrue over a period equal to the Interest Period on the lesser of:<ul style="list-style-type: none">(i) the First Secured Party Amount; and(ii) the highest balance secured by, and outstanding under, the First Secured Party's Securities at any time over the Interest Period ending on the First Distribution Date, <p>as such amount has been reduced in accordance with clause 23.</p>

<p>First Secured Party Priority Amount</p>	<p>On any date ("Relevant Date"), but subject to clause 14, the aggregate of:</p> <ul style="list-style-type: none"> (a) the First Secured Party Primary Amount as at that date; (b) the amount of all fees, bank charges, taxes and reasonable expenses (including legal expenses, remuneration of a receiver, and goods and services and similar taxes on those amounts) incurred by the First Secured Party, or by any receiver appointed by the First Secured Party, in protecting any Collateral or Other Property, or exercising any powers or rights under the First Secured Party Securities, and any amounts paid or advanced by the First Secured Party for a purpose specified in section 87(1) of the Property Law Act 2007, but in each case only to the extent that they relate to Collateral or Other Property; (c) the amount of any preferential payments required by law to be paid; and (d) the amount of interest, calculated on a daily basis at the highest rate payable by the Debtor to the First Secured Party on any amount secured by, and outstanding under, the First Secured Party Securities immediately before the Relevant Date, on each amount in paragraphs (b) and (c) above from the date of payment of the relevant amount until the date of reimbursement of that amount to the First Secured Party or the relevant receiver (as the case may be).
<p>Priority Amount</p>	<p>In relation to:</p> <ul style="list-style-type: none"> (a) the First Secured Party, means the First Secured Party Priority Amount; (b) the Second Secured Party, means the Second Secured Party Priority Amount; and (c) the Third Secured Party, means the Third Secured Party Priority Amount.
<p>PPSA</p>	<p>The Personal Property Securities Act 1999.</p>
<p>Relevant Costs</p>	<p>In relation to:</p> <ul style="list-style-type: none"> (a) the First Secured Party, means the amounts referred to in paragraphs (b), (c) and (d) of the definition of First Secured Party Priority Amount; (b) the Second Secured Party, means the amounts referred to in paragraphs (b), (c) and (d) of the definition of Second Secured Party Priority Amount; and (c) the Third Secured Party, means the amounts referred to in paragraphs (b), (c) and (d) of the definition of Third Secured Party Priority Amount.

<p>Second Secured Party Primary Amount</p>	<p>At any time, the aggregate of:</p> <ul style="list-style-type: none"> (a) the Second Secured Party Amount; and (b) an amount equivalent to the notional amount of interest, calculated at the highest rate payable by the Debtor to the Second Secured Party immediately before the First Distribution Date, which would accrue over the Interest Period on the lesser of: <ul style="list-style-type: none"> (i) the Second Secured Party Amount; and (ii) the highest balance secured by, and outstanding under, the Second Secured Party's Securities at any time over the Interest Period ending on the First Distribution Date, <p>as such amount has been reduced in accordance with clause 23.</p>
<p>Second Secured Party Priority Amount</p>	<p>On any date ("Relevant Date"), but subject to clause 14, the aggregate of:</p> <ul style="list-style-type: none"> (a) the Second Secured Party Primary Amount as at that date; (b) the amount of all fees, bank charges, taxes and reasonable expenses (including legal expenses, remuneration of a receiver, and goods and services and similar taxes on those amounts) incurred by the Second Secured Party, or by any receiver appointed by the Second Secured Party, in protecting any Collateral or Other Property, or exercising any powers or rights under the Second Secured Party Securities, and any amounts paid or advanced by the Second Secured Party for a purpose specified in section 87(1) of the Property Law Act 2007, but in each case only to the extent that they relate to Collateral or Other Property; (c) the amount of any preferential payments required by law to be paid; and (d) the amount of interest, calculated on a daily basis at the highest rate payable by the Debtor to the Second Secured Party on any amount secured by, and outstanding under, the Second Secured Party Securities immediately before the Relevant Date, on each amount in paragraphs (b) and (c) above from the date of payment of the relevant amount until the date of reimbursement of that amount to the Second Secured Party or the relevant receiver (as the case may be).
<p>Secured Parties</p>	<p>The First Secured Party, the Second Secured Party and the Third Secured Party, and "Secured Party" includes either of them.</p>
<p>Securities</p>	<p>First Secured Party Securities, the Second Secured Party Securities and the Third Secured Party Securities, and "Security" includes any of them.</p>

Third Secured Party Primary Amount	<p>At any time, the aggregate of:</p> <ul style="list-style-type: none"> (a) the Third Secured Party Amount; and (b) an amount equivalent to the notional amount of interest, calculated at the highest rate payable by the Debtor to the Third Secured Party immediately before the First Distribution Date, which would accrue over the Interest Period on the lesser of: <ul style="list-style-type: none"> (i) the Third Secured Party Amount; and (ii) the highest balance secured by, and outstanding under, the Third Secured Party's Securities at any time over the Interest Period ending on the First Distribution Date, <p>as such amount has been reduced in accordance with clause 23.</p>
Third Secured Party Priority Amount	<p>On any date ("Relevant Date"), but subject to clause 14, the aggregate of:</p> <ul style="list-style-type: none"> (a) the Third Secured Party Primary Amount as at that date; (b) the amount of all fees, bank charges, taxes and reasonable expenses (including legal expenses, remuneration of a receiver, and goods and services and similar taxes on those amounts) incurred by the Third Secured Party, or by any receiver appointed by the Third Secured Party, in protecting any Collateral or Other Property, or exercising any powers or rights under the Third Secured Party Securities, and any amounts paid or advanced by the Third Secured Party for a purpose specified in section 87(1) of the Property Law Act 2007, but in each case only to the extent that they relate to Collateral or Other Property; (c) the amount of any preferential payments required by law to be paid; and (d) the amount of interest, calculated on a daily basis at the highest rate payable by the Debtor to the Third Secured Party on any amount secured by, and outstanding under, the Third Secured Party Securities immediately before the Relevant Date, on each amount in paragraphs (b) and (c) above from the date of payment of the relevant amount until the date of reimbursement of that amount to the Third Secured Party or the relevant receiver (as the case may be).
"financing change statement" "financing statement" "personal property" "proceeds" "security interest" "seriously misleading"	<p>Each have the respective meanings given to them under the PPSA.</p>
at any time	<p>Includes from time to time.</p>
land	<p>Includes any interest in land.</p>

law	Includes any common law, equity and any statute.
person	Includes that person's successors, permitted assigns, executors and administrators (as applicable).
receiver	Includes a receiver and manager, and a receiver of any income from any land.