

NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED
("Company")

SHAREHOLDER RESOLUTION

NOTED:

1. The board of directors of the Company ("**the Board**") at a meeting of the Board held on 7 December 2011 determined to approve the following:
 - (a) that Mr Craig Stobo would act in the role of Chief Executive Officer ("**Acting CEO**") until Mr Philip Combes commenced as Chief Executive Officer; and
 - (b) that Mr Stobo would receive certain fees for acting as Acting CEO (in addition to the remuneration Mr Stobo receives as a director of the Company).
2. Mr Stobo is also a director of the Company.
3. In accordance with clause 3.6 of the shareholders' agreement dated 7 December 2011 relating to the Company ("**Shareholders' Agreement**"), the shareholders of the Company are required to approve (by ordinary resolution) the payment of remuneration to a director of the Company (except for those fees specified in the Shareholders' Agreement), and as such are required to approve payment of the fees referred to in paragraph 1(b).
4. Mr Stobo acted in the role of Acting CEO from the date of incorporation of the Company on 1 December 2011 until 20 January 2012 (a period of 50 days), the date on which Mr Combes commenced his employment with the Company.
5. For the Company to achieve its principal and primary objectives, it was critically important that Mr Stobo act in the role of CEO from incorporation, because:
 - (a) a substantial amount of work was required to commence operations and to enable the Company to hold its inaugural bond tender on 15 February 2012;
 - (b) due to work commitments at the Treasury, it was not possible for Mr Combes to commence as CEO on incorporation of the Company; and
 - (c) Mr Stobo was well placed to be Acting CEO, having been Chair of the Establishment Board since May 2011 and having played a key role in all aspects of the Company's establishment.
6. For this period, the remuneration proposed to be paid to Mr Stobo for acting as Acting CEO ("**Acting CEO Remuneration**") is as follows:

\$29,371.58 representing roundly 13.7% (precisely 50/366) of:

 - (a) the CEO's annual salary;
 - (b) less Mr Stobo's annual director's fee.
7. Payment of the Acting CEO Remuneration is subject to shareholder approval.

8. Accordingly, approval is sought from the shareholders of the Company to the payment of the Acting CEO Remuneration. In accordance with section 122 of the Companies Act 1993 ("**Act**"), this is being sought by way of a resolution in writing.

RESOLVED AND AGREED:

9. **RESOLVED:** As a resolution in writing pursuant to section 122 of the Act, that the payment of the Acting CEO Remuneration be approved.
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DATED: 2012

SIGNATURES

**HER MAJESTY THE QUEEN IN RIGHT
OF NEW ZEALAND ACTING BY AND
THROUGH THE MINISTER OF LOCAL
GOVERNMENT**

**HER MAJESTY THE QUEEN IN RIGHT
OF NEW ZEALAND ACTING BY AND
THROUGH THE MINISTER OF FINANCE**

Hon Nick Smith

Hon Bill English
Signature of authorised signatory

AUCKLAND COUNCIL by its authorised
signatory:

Name of authorised signatory

Signature of authorised signatory

HAMILTON CITY COUNCIL by its
authorised signatory:

Name of authorised signatory

Signature of authorised signatory

BAY OF PLENTY REGIONAL COUNCIL
by its authorised signatory:

Name of authorised signatory

Signature of authorised signatory

Name of authorised signatory

HASTINGS DISTRICT COUNCIL by its
authorised signatory:

CHRISTCHURCH CITY COUNCIL by its
authorised signatory:

Signature of authorised signatory

Name of authorised signatory

MASTERTON DISTRICT COUNCIL by its authorised signatory:

Signature of authorised signatory

Name of authorised signatory

NEW PLYMOUTH DISTRICT COUNCIL by its authorised signatory:

Signature of authorised signatory

SELWYN DISTRICT COUNCIL by its authorised signatory:

Signature of authorised signatory

Name of authorised signatory

SOUTH TARANAKI DISTRICT COUNCIL by its authorised signatory:

Signature of authorised signatory

Name of authorised signatory

TASMAN DISTRICT COUNCIL by its authorised signatory:

Signature of authorised signatory

Name of authorised signatory

TAUPO DISTRICT COUNCIL by its authorised signatory:

Name of authorised signatory

OTOROHANGA DISTRICT COUNCIL by its authorised signatory:

Signature of authorised signatory

Name of authorised signatory

Signature of authorised signatory

Name of authorised signatory

TAURANGA CITY COUNCIL by its authorised signatory:

Signature of authorised signatory

Name of authorised signatory

WAIPA DISTRICT COUNCIL by its authorised signatory:

Signature of authorised signatory

Name of authorised signatory

WELLINGTON CITY COUNCIL by its authorised signatory:

Signature of authorised signatory

Name of authorised signatory

WELLINGTON REGIONAL COUNCIL by its authorised signatory:

Signature of authorised signatory

Name of authorised signatory

WESTERN BAY OF PLENTY DISTRICT COUNCIL by its authorised signatory:

Signature of authorised signatory

Name of authorised signatory

WHANGAREI DISTRICT COUNCIL by its authorised signatory:

Signature of authorised signatory

Name of authorised signatory