

# Prepaid Filter Trust Deed

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Cristal Air International Limited (**CAIL**)

[•] (**Initial Franchisee**)

[•] and [•] (**Initial Guarantor**) The other Franchisees and their guarantors from time to time

# Details

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## Date

## Parties

Name	<b>Cristal Air International Limited</b>
Short name	<b>CAIL</b>
Company Number	1606715
Notice Details	7 Portage Road, New Lynn, Auckland
Phone	(09) 8268210
Email	[●]
Attention	[●]

Name	<b>[insert first franchisee name]</b>
Short name	<b>Initial Franchisee</b>
Company Number	[●]
Notice Details	[●]
Email	[●]
Attention	[●]

Name	<b>[insert first guarantor for first franchisee]</b>
Short name	<b>[First] Guarantor</b>
Notice Details	[●]
Email	[●]
Attention	[●]

Name	<b>[insert second guarantor for first franchisee, if applicable]</b>
Short name	<b>[Together with the First Guarantor, the Initial Guarantor]</b>
Notice Details	[●]
Email	[●]
Attention	[●]

Name	The franchisees entered on the Register as franchisees from time to time
Short name	Together with the Initial Franchisee, <b>Participating Franchisees</b>
Notice Details	As set out in the Register

Name	The guarantors entered on the Register as guarantors of a franchisee from time to time
Short name	Together with the Initial Guarantor, <b>Participating Guarantors</b>
Notice Details	As set out in the Register

# Background

- A CAIL assembles, markets, sells and installs the HRV System throughout New Zealand via its network of franchisees.
- B CAIL has entered into franchise agreements with the Participating Franchisees on the dates of the individual agreements listed in the Register (each a **Franchise Agreement**).
- C Certain franchisees (each a **Participating Franchisee** and together, **Participating Franchisees**) now wish to enter into an arrangement with Customers where Customers can prepay for filters and filter change services (together, **Filter Change**) for their HRV System by instalment (**Arrangement**).
- D As part of the Arrangement, to protect prepayments made by a Customer to a Participating Franchisee in relation to a Filter Change if that Participating Franchisee suffers liquidation and/or receivership, CAIL has agreed to set up a prepaid filter trust arrangement with the Participating Franchisees on the terms set out in this deed.

# Agreed terms

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## 1. Defined terms and interpretation

### 1.1 Defined terms

In this deed, unless the context requires otherwise, capitalised terms have the meaning given to them in the Franchise Agreements, as defined in the context in which they appear, or as set out below:

**Available Balance** means the available balance of funds, consisting of a Customer's cumulative Installation Payments, held on trust by CAIL for a Customer pursuant to the terms of this deed.

**Bank Account** means the bank account nominated by CAIL from time to time to receive the payments referred to in clause 4.2.

**Commencement Date** means the date of this deed;

**Customer** means a person (or persons collectively as joint purchasers) who purchases a Filter Change from a Participating Franchisee under a Sale Agreement;

**Deed of Adherence** means a deed of adherence generally in the form set out in Schedule 1 or such other form as CAIL may accept.

**Franchisee Documents** means:

- (a) this deed;
- (b) a Sale Agreement;
- (c) a Payment Agent Agreement; and
- (d) any other agreement between any of the Participating Franchisees, Customers, the Payment Agent and CAIL which creates or alters rights or obligations in relation to the Trusts.

**Installation Payment** has the meaning given to it in clause 6.2(b).

**Interest** means interest (if any) earned on any Available Balance or otherwise payable in respect of any amount in the Bank Account from time to time.

**Payment Agent** means DebitSuccess Limited, or such other entity appointed by CAIL from time to time to collect payments from each Customer.

**Payment Agent Agreement** means the agreement between CAIL and the Payment Agent in relation to the collection of the Installation Payments.

**Register** means the register of Participating Franchisees (whether in physical or electronic form) maintained by or on behalf of CAIL in accordance with clause 7.2.

**Retail Price** means the price that the Customer pays or should pay to the relevant Participating Franchisee for the Filter Change, as set out in the Sale Order;

**Sale Agreement** means the agreement between each Participating Franchisee and Customer in respect of a Filter Change.

**Services** means the promotion, marketing, sale and installation of filters as part of Domestic Installations.

**Trust** means each of the trusts established by this deed or any of them, as the context requires, and **Trusts** will have a corresponding meaning.

**Trust Fund**, for each Trust, means the Available Balance for the time being held by CAIL in respect of that Trust.

## **1.2 Interpretation**

In this deed:

- (a) unless stated to be references to the Franchise Agreement, references to clauses are to the clauses of this deed;
- (b) clause headings are included for convenience only and will not affect the interpretation or construction of this deed;
- (c) references to termination of this deed are references to termination for whatever reason including due to default by one party;
- (d) where any party comprises two or more legal persons, then their obligations under this deed will be joint and several;
- (e) references to ‘party’ means a party to this deed and where appropriate the executors, administrators, successors and permitted assigns of that party;
- (f) references to the plural form include references to the singular form and vice versa;
- (g) the words “includes”, “including”, or “include” must always be read as followed by the phrase “without limitation”; and
- (h) the expressions “in writing” or “written” include any electronic form or representation, such as email or intranet.

## **2. Acknowledgement**

### **2.1 Admission of new participating franchisees**

At any time during the duration of this Deed, CAIL may admit any person who submits a duly completed and executed Deed of Adherence as an additional Participating Franchisee to this deed by entering that person into the Register.

### **2.2 Acknowledgement by Participating Franchisees**

Each Participating Franchisee acknowledges that:

- (a) the Arrangement is not a New Product Line for the purposes of clause 12A.1 of the Franchise Agreement; and
- (b) CAIL will hold each Trust Fund on bare trust for each Customer in accordance with the terms of this deed.

## **3. Trust Arrangements**

### **3.1 Creation of the Trusts**

- (a) A Trust will be established in respect of a Customer when the first Installation Payment made by or on behalf of that Customer is accepted by CAIL and received in the Bank Account. For the avoidance of doubt, if CAIL does not accept the first Installation Payment, no trust, subject to this deed, would have been created.

- (b) Each Trust will be named in accordance with the following approach: “Prepaid Filter Trust – [“Customer Name”]”, or such other format or name as CAIL may select and notify to the Participating Franchisees from time to time.
- (c) CAIL is appointed and agrees to act as the initial trustee of each Trust and will hold each Trust Fund on bare trust in the Bank Account for the absolute benefit of the applicable Customer on the terms and conditions of this Arrangement.

### **3.2 Separate Trusts**

Each Trust Fund will constitute a separate and independent trust fund with separate assets and liabilities under a separate Trust and CAIL will in all respects act so as to give effect to this intention. Without prejudice to the generality of the foregoing:

- (a) a Trust Fund attributable to one Customer will be held for the benefit of that Customer;
- (b) a right or interest (as beneficiary or otherwise) in relation to any Trust will not confer any right or interest in relation to any other Trust;
- (c) the assets of one Trust will not be available to meet the liabilities of any other Trust;
- (d) CAIL will keep separate records and accounts in respect of each Trust, and (subject to clause 4.4) will not permit the assets or liabilities of any Trust to become intermingled with those of any other Trust; and
- (e) the creation of a new Trust will not in any way vary or affect any other Trust nor give rise to any resettlement of any other Trust.

### **3.3 No interference in management etc**

Subject to the rights of the Customers or Participating Franchisees created by this deed, or by law, no Customer or Participating Franchisee will be entitled to challenge (including in any court or tribunal) the exercise or non-exercise by CAIL of any of the trusts, powers, authorities or discretions conferred upon them or either of them by this deed or in respect of the Bank Account or any part or parts thereof or to exercise any right, power or privilege in respect of any funds of a Trust.

## **4. Bank Account**

### **4.1 Establishment of Bank Account**

CAIL will establish and maintain a bank account with a registered bank in New Zealand to be the Bank Account.

### **4.2 Payments into Bank Account**

Each Participating Franchisee will, using the services of the Payment Agent, arrange for its Customer to pay all Installation Payments into the Bank Account by electronic transfer of funds through the Payment Agent on a timely basis in accordance with this deed. Such Installation Payments are to be added to the Trust Fund of the relevant Customer’s Trust and held by CAIL in accordance with this deed.

### **4.3 Payments out of Bank Account**

CAIL will arrange for any payments to be made out of the Bank Account on a timely basis in accordance with this deed.

#### 4.4 Single account

- (a) For certainty, it is confirmed that there may be a single Bank Account in which the Trust Funds of each Trust (including Installation Payments received from different Customers, Available Balances and Interest) are held and may be combined and intermingled but that will not affect each Trust Fund being separate trust funds.
- (b) CAIL will have irrevocable authority to deal with moneys in the Bank Account in accordance with the provisions of this deed, provided that neither CAIL nor the Participating Franchisees may exercise any lien, or right of set-off over those moneys, or combine or consolidate those moneys with any other money or account except as expressly provided in this deed.

#### 4.5 CAIL may nominate

CAIL may nominate a company which is a wholly owned subsidiary of CAIL to act as the nominee of CAIL and in whose name the Bank Account may be opened and, if so appointed, CAIL must procure that any such nominee agrees to be bound by and complies with the terms of this deed as if named as CAIL herein.

### 5. Interest

Each Customer shall irrevocably direct that any Interest earned on their applicable Available Balance from time to time belongs beneficially to CAIL as compensation for its services as trustee of their Trust, and CAIL has no obligation to account to any other person in relation to such Interest.

## 6. Directions and Payments

### 6.1 CAIL to act on direction of the Customer

- (a) Upon presentation of evidence to CAIL's satisfaction that a Filter Change has been carried out for a Customer by a Participating Franchisee, as recorded in the Sale Agreement, CAIL will pay on behalf of the relevant Customer the Retail Price for the filter change to the relevant Participating Franchisee from the Trust Fund of the Customer's Trust.
- (b) At the time the Filter Change is carried out, to the extent that the Trust Fund exceeds the Retail Price for the filter change, that excess is to be refunded to the Customer or, at the Customer's direction held and applied towards future Filter Changes.
- (c) To the extent that the Trust Fund is insufficient to allow payment of the Retail Price, CAIL shall not be obliged to make any such payment, unless and until the relevant Customer has deposited additional money in the Trust Fund so that it equals or exceeds the Retail Price.

### 6.2 Collection of prepayments

- (a) CAIL will appoint a Payment Agent to collect prepayments from their respective Customers for Filter Changes.
- (b) The full payment for each Filter Change will be collected over a period of 2 years by way of 24 monthly instalments (each an **Installation Payment**).
- (c) Each Participating Franchisee must procure that each Installation Payment paid by that Customer immediately, directly, and without any deduction into the Bank Account and provide notice to CAIL and the Payment Agent of each Installation Payment and the Customer to which they relate.

### 6.3 CAIL's right of set off

To the extent that a Participating Franchisee is in default of any payment obligation to CAIL, CAIL is irrevocably authorised to set off and apply any amounts payable by CAIL to that Participating Franchisee on behalf of a Customer under this deed against any such amount payable from time to time by that Participating Franchisee to CAIL (including any remuneration or expenses).

## 7. Records

### 7.1 The Records

- (a) The Participating Franchisees must provide to the Payment Agent to enable it to provide to CAIL on a daily basis:
  - (A) details of new Customers and initial Installation Payments;
  - (B) details of any subsequent Installation Payments in respect of a Customer; and
  - (C) information which may be required by CAIL to comply with its obligations under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (if applicable) or any other legislation which CAIL considers it is required to comply with.
- (b) Subject at all times to clause 3.2 and based on the information provided to CAIL by the Participating Franchisees and/or the Payment Agent in accordance with clause 7.1(a), CAIL must keep and maintain or cause to be kept and maintained in electronic or written form separate and separately identifiable records (**Records**) of:
  - (A) the information provided to CAIL pursuant to clause 7.1(a) in respect of each Customer;
  - (B) all amounts due, and all amounts received, from each Customer;
  - (C) all payments in and out of the Bank Account;
  - (D) all payments paid to a Participating Franchisee on behalf of a Customer,
  - (E) the date on which the name of the Customer and the initial Installation Payment was entered in the Records; and
  - (F) all amounts of interest paid to a Customer and to CAIL in accordance with clause 5.
- (c) The Participating Franchisees must provide CAIL and the Payment Agent the Trustee with all reasonable assistance and information for the purposes of clause (b) above.
- (d) In the absence of manifest error, CAIL's records will be conclusive evidence of the above.

### 7.2 Maintenance of a Register

- (a) CAIL will maintain (or procure the Payment Agent to maintain) a Register that:
  - (i) records the name and address of each franchisee who has been admitted as a Participating Franchisee to this deed pursuant to clause 2.1, together with details of its guarantors;
  - (ii) records the date each Participating Franchisee was admitted to the Register; and
  - (iii) such other information that CAIL determines appropriate to record on the Register.



- (b) CAIL will maintain a record of the changes made to the Register over the life of this deed and the date of such changes.
- (c) In the absence of manifest error the Register will be conclusive evidence of the above.

## **8. CAIL's powers and indemnities as trustee**

### **8.1 No personal liability and limited recourse**

CAIL will not be under any personal liability, nor will resort be had to CAIL's property, for the satisfaction of any obligation or claim arising out of or in connection with any contract or other obligation of any Trust, including any obligation to Customers in relation to the Arrangement. Only the Trust Fund of the relevant Trust will be liable or subject to execution in respect of such a claim.

### **8.2 Liability for default**

CAIL will be liable for any loss arising out of its wilful default, or gross negligence but, subject to the terms of this deed, CAIL will not be liable to account to any Customer or Participating Franchisee as a result of acting as trustee or otherwise under this deed or for any act or omission or be subject to any liability whatsoever at law or in equity in connection with the affairs of the Trusts.

### **8.3 Indemnity**

Notwithstanding any provision in this deed to the contrary, the Participating Franchisees must indemnify CAIL (including its directors, officers, and employees) and keep CAIL indemnified from and against all actions, proceedings, losses, liabilities, damages, claims, demands, costs and expenses (including reasonable legal expenses) suffered or incurred by CAIL in relation to any actual or threatened claims by any Customer or any other person (each, a "**Claim**") resulting directly or indirectly from or in connection with this deed, other than to the extent such claim results from:

- (a) CAIL's wilful breach of this deed, or
- (b) CAIL's fraud or negligence.

### **8.4 No requirement to act**

CAIL may decline to take any action or exercise any power or discretion, or comply with or implement any direction or request given pursuant to the provisions of this deed whether or not CAIL is otherwise bound to so act unless and until CAIL is first indemnified to its satisfaction (whether by the Participating Franchisees, a Customer, or such other person or persons acceptable to CAIL) from and against all actions, proceedings, claims, and demands to which CAIL may be rendered liable and all costs, charges, damages, and expenses that it may incur by so doing.

### **8.5 Reimbursement**

CAIL will be entitled to be reimbursed by the Participating Franchisees for all reasonable expenses, costs or liabilities incurred by it in acting as trustee of the Trusts, including any fees or expenses of the Payment Agent. Without limiting the foregoing, the Participating Franchisees must pay to CAIL as and when requested by CAIL any expenses agreed from time to time between CAIL and the Participating Franchisees.

At any time that there is more than one Participating Franchisee, CAIL may apportion between these expenses on such basis as CAIL in its absolute discretion considers appropriate.

## **8.6 Reliance**

CAIL may take and may act in reliance upon:

- (a) the opinion or advice of counsel or solicitors, whether or not instructed by CAIL, in relation to the interpretation of this deed or any other document (whether statutory or otherwise) or generally in connection with the Trusts;
- (b) advice, opinions, statements or information from any bankers, accountants, auditors, valuers and other persons consulted by CAIL who are in each case believed by CAIL in good faith to be expert in relation to the matters upon which they are consulted and who are independent of CAIL; and
- (c) any electronic communication or other document provided to CAIL by a Participating Franchisee or the Payment Agent in connection with the Bank Account upon which it is reasonable for CAIL to rely,

and CAIL will not be liable for anything done, suffered or omitted by it in good faith in reliance upon such opinion, advice, statement, information or document.

## **8.7 Application to Court**

If CAIL is unable to determine the correct course of action in any circumstance, it is entitled to apply to the Court for directions.

## **8.8 Participating Franchisees and the Payment Agent**

CAIL and each Customer acknowledge that none of the Participating Franchisees or the Payment Agent is a trustee or owes any fiduciary duties (other than those which may be imposed by law or any Court of competent jurisdiction) in respect of any Trust, Trust Fund or the Bank Account.

# **9. Removal and retirement of CAIL as trustee**

## **9.1 Removal**

- (a) CAIL will cease to hold office as trustee of the Trusts:
  - (A) if a resolution is passed or order made for the liquidation of CAIL, or CAIL is placed into administration, receivership or statutory management; or
  - (B) if CAIL is removed from office by a court by such means as may at any relevant time be prescribed by law.
- (b) If CAIL ceases to hold office pursuant to clause 9.1(a) CAIL must immediately desist from all activities related to the Trusts other than as required to give effect to CAIL's removal (for example, by transferring the funds held in the Bank Account to each relevant Customer in accordance with clause 9.3).

## **9.2 Retirement**

CAIL may retire at any time without assigning any reason upon giving 30 days' notice in writing (or such lesser period as may be agreed with the Participating Franchisees) to the Participating Franchisees of its intention to do so and confirmation that CAIL has procured another person to act as trustee in relation to the Arrangement, such retirement to take effect immediately upon expiry of such notice.

## **9.3 Effect of Retirement or Removal of CAIL as trustee**

Upon CAIL being validly removed or retiring in accordance with clause 9.1 or 9.2:

- (a) CAIL shall be discharged from its obligations under this deed; and

- (b) in accordance with the Sale Agreement, each Customer irrevocably directs CAIL that the Trust Fund of each Trust must be refunded to the relevant Customer, and CAIL agrees to give effect to this direction.

## 10. Franchisee Documents

### 10.1 Approval of Franchisee Documents

Any reference to CAIL or the terms of the Trusts in any of the Franchisee Documents is subject to CAIL's prior written approval. Following the approval of any such provision in a Franchisee Document, the Participating Franchisees must not materially amend or modify the provision in the Franchisee Document without the prior written consent of CAIL.

### 10.2 Amendments to deed

CAIL and the Participating Franchisees may at any time make any alteration, modification, variation or addition to the provisions of this deed (by means of a document executed by CAIL and the Participating Franchisees) in any of the following cases:

- (a) if in the opinion of CAIL and the Participating Franchisees the same is made to correct a manifest error or is of a formal or technical nature;
- (b) if in the opinion of CAIL and the Participating Franchisees the same is necessary or desirable to comply with a requirement of any law, regulation or requirement made under the authority of any competent authority; or
- (c) if in the opinion of CAIL and the Participating Franchisees the same is necessary or desirable for the more convenient economical or advantageous working, management or administration of the Trusts or for safeguarding or enhancing the interests of the Trusts or the Customers, and is not likely to become prejudicial to the interests of the Customers generally.

## 11. Winding up

### 11.1 Winding up events

- (a) Each Trust will be wound up upon the occurrence of the earliest of the following events:
  - (A) the termination of the relevant Sale Agreement;
  - (B) the demise of the relevant Customer to which that Trust Fund relates;
  - (C) if the relevant Customer to which that Trust Fund relates moves house;
  - (D) the expiry of this deed, which will occur once all Trusts cease to exist and all Franchise Agreements have not been renewed; and
  - (E) CAIL giving not less than 90 days' notice in writing to the Participating Franchisees and Customers of the termination of the Arrangement.
- (b) The perpetuity period of each Trust for the purposes of the *Perpetuities Act 1964* is the period of 80 years less two days from the date of this deed.

### 11.2 On a winding up

- (a) On a winding up of a Trust under clause 11.1(a), in accordance with the Sale Agreement, and subject to clause 11.2(b), each Customer irrevocably directs CAIL that the Trust Fund of each Trust (less an administration fee of \$50 which shall be paid to CAIL as its fee for processing such payments) must be paid to the relevant Customer to which that Trust

Fund relates (or, in the case of a winding up under clause 11.1(a)(B), to the relevant Customer's estate), and CAIL agrees to give effect to this direction.

- (b) If the Customer (or, in the case of a winding up under clause 11.1(a)(B), the Customer's estate) is not contactable after 6 months from which it (or its estate, as applicable) became entitled to receive the payment stipulated in clause 11.2(a) above despite CAIL's reasonable efforts to contact the Customer (or its estate, as applicable), the Customer irrevocably directs CAIL to pay the Trust Fund to CAIL, and it (or its estate, as applicable) shall henceforth have no entitlement or claim upon those moneys.

### **11.3 Trust ceases to exist**

A Trust ceases to exist when the Trust Fund of a Trust is paid out to a Customer or to the Participating Franchisee recorded in the Sale Agreement in accordance with the terms of this deed and the Available Balance is nil, or if the Trust Fund is to be paid to CAIL under clause 11.2(b).

## **12. Precedence**

The parties confirm and acknowledge that to the extent necessary to give effect to the Arrangement, the terms of this deed will prevail over the Franchise Agreement.

## **13. Term in conjunction with Franchise Agreement**

### **13.1 Commencement, Duration and Renewal**

- (a) This deed commences on the Commencement Date and will continue to bind a Participating Franchisee (together with the relevant Participating Guarantor) for as long as they remain a franchisee pursuant to the terms of their Franchise Agreement.
- (b) For clarity, if a Franchise Agreement is renewed, the relevant Participating Franchisee (and the relevant Participating Guarantor) will continue to be bound by this deed.

### **13.2 Consequences of Expiry or Termination of Franchise Agreement**

If a Participating Franchisee's Franchise Agreement expires or is terminated, the Sale Agreement(s) entered into by that Participating Franchisee will be terminated as at the date of expiry of that Franchise Agreement.

## **14. Guarantor**

The Participating Guarantor agrees that its obligations pursuant to clause 19 of the Franchise Agreement it is party to to guarantee the full performance of the relevant Participating Franchisee of all of its obligations under the Franchise Agreement shall apply also to that Participating Franchisee's obligations under this deed.

## **15. General**

### **15.1 Assignment**

No Participating Franchisee, Participating Guarantor or Customer is permitted to assign or create any security interest in any of its rights or obligations under this deed except with the prior written consent of CAIL.

## 15.2 Illegality

If any clause or part of a clause is illegal, unenforceable or invalid under any applicable law or be so held by applicable court decision, that clause or part is to be treated as removed from this deed, but the rest of this deed will not be affected.

## 15.3 Counterparts

This deed (and any Deed of Adherence) may be executed in any number of counterparts all of which taken together will constitute one and the same instrument and any of the parties hereto may execute this deed by signing any such counterpart and the deed will become binding on the parties when each party has completed delivery of such counterpart.

## 15.4 Governing law

This deed will be governed by the laws of New Zealand, and the parties agree to submit to the non-exclusive jurisdiction of the New Zealand Courts in Auckland for determination of all matters or disputes arising out of or in connection with this deed.

## 15.5 Delivery

For the purposes of section 9 of the *Property Law Act 2007*, and without limiting any other mode of delivery, this deed will be delivered by each of the parties (each a **Delivering Party**) immediately on the earlier of:

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

**EXECUTED** as a deed

**CRISTAL AIR INTERNATIONAL LIMITED**

by:

\_\_\_\_\_  
Signature of authorised signatory

\_\_\_\_\_  
Name of authorised signatory

**[INSERT FIRST FRANCHISEE NAME]** by:

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name of witness

\_\_\_\_\_  
Occupation of witness

\_\_\_\_\_  
City/town of residence

\_\_\_\_\_  
Signature of director/authorised person

\_\_\_\_\_  
Name of director/authorised person

\_\_\_\_\_  
Signature of director/authorised person

\_\_\_\_\_  
Name of director/authorised person

Notes on Execution by a New Zealand Company

1. All signatories shall clearly print their name where indicated.
2. Where signed by two or more Directors, the signatures do not need to be witnessed.
3. Where signed by only one Director, or one Director and another authorised person, or duly authorised attorneys, all signatures must be witnessed.
4. If signed by duly authorised attorneys, certificates of non-revocation of power of attorney must be provided.

**[INSERT FIRST GUARANTOR NAME]:**

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name of witness

\_\_\_\_\_  
Occupation of witness

\_\_\_\_\_  
City/town of residence

\_\_\_\_\_  
Signature

**[INSERT SECOND GUARANTOR NAME]:**

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name of witness

\_\_\_\_\_  
Occupation of witness

\_\_\_\_\_  
City/town of residence

\_\_\_\_\_  
Signature

# Schedule 1 – Deed of Adherence

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**This Deed** is made the [ ] day of [ ]

**By** [*insert name of franchisee*].

**Recital**

1 From [*insert date*] (**Effective Date**) [*insert name of franchisee*] is intending to become a Participating Franchisee (as defined in the prepaid filter trust deed dated [*insert date*] (**Prepaid Filter Deed**), and have the benefit of and be bound by the terms and conditions of the Prepaid Filter Deed as a Participating Franchisee.

**By this Deed, the** [*insert name of franchisee*] **hereby confirms and declares that:**

- 2 It shall be bound by and have the benefit of the terms and conditions of the Prepaid Filter Deed.
- 3 This Deed is for the benefit of the Franchisor and the Customer (as defined in the Prepaid Filter Deed) and is enforceable by each of them.
- 4 This Deed is governed in all respects by the laws of New Zealand and each of the parties irrevocably submits to the non-exclusive jurisdiction of the New Zealand Courts as regards any claim, dispute or matter arising out or relating to this Deed.

**Executed as a deed**

**[INSERT FRANCHISEE NAME]** by:

_____	_____ Signature of director/authorised person
Signature of witness	_____ Name of director/authorised person
_____	_____ Signature of director/authorised person
Name of witness	_____ Name of director/authorised person
_____	_____ Name of director/authorised person
Occupation of witness	
_____	
City/town of residence	

Notes on Execution by a New Zealand Company

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- 2. Where signed by two or more Directors, the signatures do not need to be witnessed.
- 3. Where signed by only one Director, or one Director and another authorised person, or duly authorised attorneys, all signatures must be witnessed.
- 4. If signed by duly authorised attorneys, certificates of non-revocation of power of attorney must be provided.

**[INSERT FIRST GUARANTOR NAME]:**

---

Signature

---

Signature of witness

---

Name of witness

---

Occupation of witness

---

City/town of residence

**[INSERT SECOND GUARANTOR NAME]:**

---

Signature

---

Signature of witness

---

Name of witness

---

Occupation of witness

---

City/town of residence