

Who is Covenant Trustee Services Limited?

[Covenant Trustee Services Limited](#) ("Covenant") is the supervisor for the debt securities issued by Gold Band. Covenant is licenced by the Financial Markets Authority and has been in business for more than 30 years. Covenant is independent of Gold Band and is part of a group of trustee companies including Perpetual Guardian and New Zealand Guardian Trust.

The primary people at Covenant involved in supervising Gold Band are the General Manager, a Senior Relationship Manager, a Relationship Manager and a financial analyst. They have accounting, finance and/or legal qualifications.

What is the Trust Deed?

Covenant and Gold Band have entered a Trust Deed that sets out the roles of both Covenant and Gold Band in relation to your investments. A copy of the Trust Deed can be found on the Disclose Register at the following link:

<https://app.companiesoffice.govt.nz/disclose/fmc-register/viewInstance/view.html?id=0b027646737e9b07a32a2cc32439b0737eacf3a13a3d20c1×tamp=3499046969940436>

The Trust Deed provides that Covenant holds in trust for the benefit of investors the right to enforce Gold Band's duty to repay your investment and interest, any charge or security for repayment and the right to enforce any other duties that Gold Band has under the terms of the debt security or trust deed. Covenant holds a PPSR charge over Gold Band on behalf of investors.

The Trust Deed includes a number of financial ratios that Gold Band is required to meet around capital, liquidity and related party transactions. These ratios are designed to ensure that Gold Band is able to meet its obligations to investors.

What does Covenant do in practice?

Covenant has regular contact with management at Gold Band and also meets with the Board of Gold Band at least once a year and the auditor for Gold Band twice a year. Covenant also receives various reports from Gold Band including monthly management accounts and reporting against the ratios set out in the Trust Deed, certificates from directors confirming compliance with defined matters as well as half yearly and annual audited financial accounts. Covenant uses this information to assess whether Gold Band is complying with the Trust Deed and other legal obligations and to identify any issues or trends of concern. During times of increased uncertainty, such as the Covid-19 lockdown period in 2020, Covenant will have more regular contact with Gold Band and may request more frequent reporting.

If Covenant becomes aware of any material breaches of the Trust Deed or financial distress at Gold Band then Covenant has a number of powers under the Trust Deed including in a worst-case scenario the appointment of a receiver. Covenant also has obligations to notify the Reserve Bank of New Zealand and Financial Markets Authority.