


## 4. KEY FEATURES OF DEBT SECURITIES

### Ranking and security

| Ranking                                                                                   | Categories of liability/equity                                                        |                                                                                                       | Amount at 31/12/23 |
|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|--------------------|
| <br>High | Liabilities that rank in priority to the Debt Securities on a liquidation of the CDF. | Liabilities preferred by law, including employee entitlements.                                        | \$209,687          |
|                                                                                           |                                                                                       | Liabilities incurred to acquire or improve assets and secured by a prior charge against those assets. | \$14,410,079       |
|                                                                                           |                                                                                       | Bank facilities secured by a security interest over all of the CDF's assets.                          | \$ -               |
|                                                                                           | Liabilities that rank equally with the Debt Securities on a liquidation of the CDF.   | Debt Securities issued under the Trust Deed.                                                          | \$8,381,750        |
|                                                                                           |                                                                                       | Other liabilities that rank equally to Debt Securities issued under the Trust Deed.                   | \$4,213,683        |
|                                                                                           | Liabilities that rank below the Debt Securities on a liquidation of the CDF.          | Non-regulated debt securities issued to the Bishop and other unsecured subordinated liabilities.      | \$13,025,917       |
| Low                                                                                       | Equity                                                                                | \$183,151,966                                                                                         |                    |

In the event the Issuer becomes insolvent, whilst account holders may not be liable to pay money to any person as a result of the insolvency, it's possible there will be claims against the Issuer which will have preference by law over Debt Securities. These are summarised below.

### Security Interests

The Issuer has granted CTSL a security interest ("Security Interest") in bonds and other securities held by the Issuer ("Secured Property"). The bonds and other securities that constitute the Secured Property are listed on the NZX in accordance with the current Diocesan Investment Policy. The Security Interest is provided for in clause 5.1 of the Trust Deed.

The Security Interest is a first ranking security interest and as such is only subject to liabilities that have preference by operation of law or any prior charge given or permitted in accordance with clause 5.3 of the Trust Deed. Clause 8.2(b) of the Trust Deed requires the value of the Secured Property to be at least 110% of the total aggregate principal of the Debt Securities.

The amount of the liability that is secured by the Security Interest is \$8,364,881. The total value of the Secured Property is \$9,294,091. Both figures are estimated amounts based on the Issuer's financial position as at its most recent balance date.

### Preferential claims

The claims that would rank ahead of the claims of Secured Depositors on the Issuer's assets if the Issuer were to become insolvent or liquidated are:

- claims for liquidators' costs, unpaid taxes, certain wages and other amounts payable to employees and other amounts given preference by statute;
- claims of the CTSL and any receiver appointed under the Trust Deed for unpaid fees and costs;
- claims of the holders of any prior ranking security interests or charges (see above); and
- claims given priority under the Personal Property Securities Act 1999, such as purchase money security interests.

There may also be claims of other secured creditors which will rank in priority to or equally with the claims of the debt security holders. Any such, preferential, or prior or equal ranking, claims will reduce the amount of money available to satisfy the claims of the debt security holders.

### Legal Liability

The Bishop is legally-liable for the repayment of the Debt Securities, plus interest. This liability helps protect account holders against loss of principal and interest due under the Debt Securities.