

**NND INVESTMENT TRUST – DEED OF SETTLEMENT  
SUMMARY OF PROPOSED AMENDMENTS**

**I. PURPOSE OF AMENDMENTS**

These amendments are proposed to:

1. clarify the existing requirement under the Deed of Settlement to maintain a minimum amount of capital in the Trust; and
2. clarify certain rules relating to distributions of capital from the Trust.

**II. EXPLANATION OF AMENDMENTS**

**A. Calculation of Minimum Amount of Trust Capital**

Consistent with clause 4.3 of NND’s Constitution, the existing rules of the Trust require that a minimum amount of capital be maintained at all times within the Trust as a perpetual endowment. This “Minimum Amount” represents the inflation-adjusted amount of the initial capital property settled on the Trust comprised of Compensation Funds paid to NND under its Final Agreement.

The definition of “Minimum Amount” is being amended to exclude the amount referred to as the “Government House Funds”, which represents a total of \$2,500,000 of Compensation Funds that were applied by NND toward the building of the Government House before the Trust was established. Accordingly, the amendment relating to the Government House Funds recognizes that those funds did not form part of the initial capital property of the Trust and, therefore, should not be part of the minimum required capital to be retained by the Trust.

**B. Rules Relating to Capital Distributions**

Clause 17 of the Trust Deed of Settlement sets out the rules relating to distributions of capital from the Trust. The amendments to this clause are being made for greater certainty only. They clarify the following matters:

1. the specific manner of calculating the threshold level of capital distributions that may be made in any fiscal year of the Trust (referred to as the “Distribution Threshold”); and
2. the specific manner in which amounts of capital may be advanced as loans to the Beneficiary in the circumstances set out in existing subparagraphs 17(1)(b)(i) to (iii) of the Deed of Settlement.