

There is a process that must be followed to allow the transfer of NOIC shares. This is to ensure that water can be supplied to a proposed purchaser and that the security NOIC requires for payment of water charges can be provided. This process is outlined as follows:

1. **ALL** share transfers require approval of the NOIC Board of Directors before they can proceed. NOIC shares cannot be alienated from land. You will need to obtain NOIC Board approval prior to settlement.
2. NOIC recommends that intending purchasers contact NOIC's Environmental Management Team to discuss NOIC's Environmental requirements.
3. The existing Shareholder (being the Vendor) is to advise NOIC of the intended sale, number of shares and proposed purchaser.
4. When notified of a proposed share transfer, NOIC staff will undertake a technical and environmental review to determine if water can be supplied to the proposed purchaser and water can be delivered within the conditions of NOIC's Resource Consents.
5. NOIC will then confirm whether or not water can be supplied and any connection costs involved.
6. If water cannot be supplied, the share transfer cannot proceed and cannot be approved by the Directors.
7. All Fixed and Variable Supply Charges in the final month of ownership will be invoiced to the Shareholder.
 - a. Fixed Charges to the end of the month in which settlement occurs are to be paid to NOIC on the day of settlement. The Shareholder and purchaser are responsible for determining any apportionment of Fixed Charges.
 - b. Variable Supply Charges will be separately invoiced to the Shareholder for payment on the 20th of the month following settlement.
8. No share transfers will be approved where there are outstanding payments owing.
9. The Vendor remains fully liable for all charges until registration of the share transfer is complete.
10. If water can be supplied, the purchaser's solicitor must then liaise with NOIC's solicitor Berry & Co to provide the following:
 - i. A Registered First Charge Encumbrance (which secures your performance under the 2014 Water Supply Agreement) over the title of the land to be supplied. The minimum land area that must be provided is 1 hectare for each share purchased. This will need the consent of the purchaser's mortgagees. It may take a bit of time to go through the documentation and financier consent process.
 - ii. A fully completed Share Transfer Form signed by the Vendor and Purchaser is to be provided to Berry & Co following settlement.

- iii. Other documentation if applicable e.g., Encumbrancee Consent to any matters affecting title to the land and/or Deed of Accession to transfer the obligations under a Grant of Option to Take Easements.
 - iv. The new shareholder must also complete a direct debit authority for automatic payment of monthly charges as well as a new shareholder information sheet and supply these to Berry & Co on or before settlement.
11. If you are selling your land with the shares and the Encumbrance registered over your land incorporates the 2004 Water Supply Agreement, you will be required to vary the Encumbrance so that it incorporates NOIC's 2014 Water Supply Agreement. Berry and Co will contact you about this. NOIC pays the cost of registering the variation of Encumbrance.
 12. Berry & Co present a Resolution approving Share Transfers to the NOIC Board for approval and signature. Berry & Co are required to certify to the Directors that there are sufficient encumbered hectares to secure the shares being purchased.
 13. The Board of Directors will approve/ratify the share transfer by resolution at their regularly scheduled board meetings.
 14. After approval is given and all of NOIC's conditions have been met (as set out above), and once the purchaser has provided the fully completed and signed Share Transfer Form to Berry and Co, Berry & Co will arrange with the Company's registered office (Harvie Green Wyatt) to update the share register and to notify the Companies Office for the transfer of shares.
 15. The purchaser is not a shareholder until the Share Transfer Form is complete and the transfer of shares is registered. . The Vendor remains liable for all shareholder obligations until the transfer of shares is registered.
 16. The costs of the share transfer process are generally payable by the purchaser unless otherwise agreed between the vendor and the purchaser. This includes NOIC's costs of processing the share transfer and putting a registered Water Supply Agreement in place. The vendor and purchaser will need to make their own arrangements for any other expenses involved.
 17. NOIC recommends that no payment be made or received for the sale and purchase of shares until the Directors' approval of the share transfer is confirmed, in case any issue arises that may delay or prevent approval.

Please allow a minimum period of six weeks for approval of a sale of the shares to allow reasonable time for the required checks and documents to be completed, and the monthly cycle of Director's meetings at which share transfer approvals are considered.

NOIC is happy to discuss any issues you may have with proposed share transfers and water availability, please contact the office either via telephone on **(03) 433 1201** or via email to **office@noic.co.nz**.