

Memo

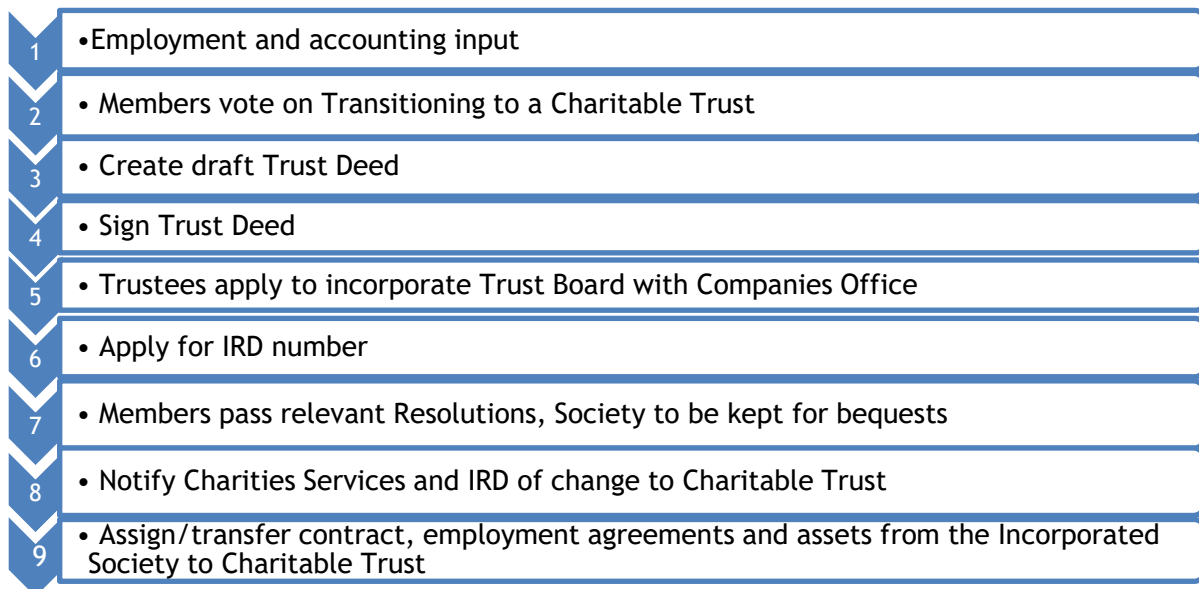
To: Members of Save Animals from Exploitation Incorporated

From: Vicky Reid

Date: 31 March 2026

Subject: Transition to a Charitable Trust

This memo provides an overview of the process required to transition Save Animals from Exploitation (“SAFE”) from an Incorporated Society structure to a Charitable Trust structure. The below chart sets out the steps at a high level:



To date, the Board has received legal advice on the structure options and differences between the current Incorporated Society structure and that of a Charitable Trust. Upon this advice, the Board has considered that transitioning to a Charitable Trust would better allow SAFE to implement its purposes and safeguard the future and ensure that the focus is on strengthening SAFE’s ability to deliver lasting change for animals.

Incorporated Society “shell” entity

Bequests are a significant consideration that can affect whether a society should proceed with transitioning to a new structure. This is because the change of legal structure may affect the new entity’s ability to receive gifts that were left in the name of the society. If the society is wound up and as a result the entity to which the bequest is made ceases to exist, then it is possible that the bequest may fail. This would negatively affect the new charitable trust, as it means it may not receive the gift made to it, impacting its ability to continue to provide its important work.

To mitigate against this potential loss, the Board considers that the Incorporated Society should be kept as a “shell” entity. The society would be managed by the Board with the membership

base being the Board and the charitable trust once it is incorporated (this process is explained below). At a later date, the Board could resolve to wind up the society, provided that it is satisfied that the society need not be kept for the purpose of receiving bequests.

Employment and accounting input (Step 1)

1. The Board has made preliminary inquiries about employment advice regarding transitioning its employees from an incorporated society to charitable trust. We understand that SAFE's employees are aware of the potential transition and that the same terms of employment will be transferred over to the new entity, which will be the employer. We suggest that the Board has ongoing discussion with its accountants about the effects of transferring its assets between entities to appreciate any tax or accounting implications.

First resolution (Step 2)

2. Members will vote on whether to pass a resolution at the upcoming Special General Meeting which, if passed, will approve in principle for the Board to progress with the creation of the charitable trust deed. Then, at a later date the Board will circulate a second resolution to members to approve the transfer of assets once the trust has been established.

Charitable Trust deed (Steps 3-6)

3. Once the first resolution has been passed, the Board will then sign and establish the charitable trust "Save Animals from Exploitation" (the "Trust") and the Society will pay \$10 to the Trust to create the trust. A copy of the draft trust deed has been circulated to members together with this memo.
4. The Trustees will need then need to apply to incorporate the Trust Board with Companies Office. This involves a short application form and can be managed with assistance from Parry Field. Companies Office will process the request and produce a certificate of incorporation, this has the effect of giving the Trust its own legal personality and therefore able to obtain its own bank account, charities services registration and IRD number. Parry Field can assist the Board to navigate the steps required to have SAFE's new bank accounts, IRD number and charities services numbers running before the society's assets are transferred across to the Trust.
5. As the society will continue to exist and be managed by the Board, it will maintain its own bank accounts, charities services number and IRD number. However, if gifts are received these will be transferred to the Trust which will act as the operational entity.

Second resolution (Step 7)

6. We recommend that the process for transitioning takes place over two resolutions passed by members of the society. The second resolution confirms that the transfer of assets will take place and that the society will be maintained by the Board, as noted above for the purpose of receiving bequests.

Giving effect to the transfer (Steps 8-9)

7. At this stage, there may be a need for deed or agreement to be entered into between the entities to give effect to the transfer of the assets. All contracts, agreements and operations will then be managed by the Trust rather than the society.