

Management Services Agreement

AMP NZ Office Limited

and

AMP Haumi Management Limited

Date 27 September 2010

BELL GULLY

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Contents

1.	Interpretation	2
2.	Condition	7
3.	Appointment	7
4.	Term	8
5.	Manager’s obligations	9
6.	Company’s obligations	16
7.	Other Services	17
8.	Call option	19
9.	Fees	22
10.	Confidentiality	26
11.	Ownership of information	27
12.	Termination	28
13.	Indemnities	31
14.	Warranty	32
15.	Force Majeure	35
16.	Dispute Resolution	35
17.	Notices	36
18.	General	37
	Schedule 1: Base Management Services	39
	Schedule 2: Additional Services	46
	Schedule 3: Agreed Fees for Certain Additional Services	53
	Schedule 4: Illustrative Example of Management Fees	55

This **Management Services Agreement** is made on 27 September 2010

between (1) **AMP NZ Office Limited (Company)**

and (2) **AMP Haumi Management Limited (Manager)**

Introduction

- A. The Company has been newly formed to acquire AMP NZ Office Trust's (**ANZO**) portfolio of prime and A-grade office properties pursuant to a proposed corporatisation of ANZO under which ANZO will be converted from a unit trust to a company (the **Reorganisation**), which is to be approved by ANZO unit holders.
- B. The Company wishes to appoint the Manager as the exclusive provider to the Company of ongoing management services in respect of the Company's group operations, and the Manager wishes to accept that appointment, on the terms and conditions set out in this Agreement.

It is agreed

1. Interpretation

1.1 Definitions

In this Agreement, unless the context requires otherwise:

Additional Services has the meaning given to that term in clause 7.1;

Agreement means this agreement, including the schedules and annexures, and any amendments from time to time agreed in writing by the parties;

AMPCI means AMP Capital Investors (New Zealand) Limited;

AMPCI Service Level Agreement means the service level agreement entered into by the Manager and AMPCI on or around 27 September 2010, including any supplements and amendments thereto;

Annual Budget has the meaning given to it in Schedule 1;

ANZO means AMP NZ Office Trust, a unit trust originally constituted under a trust deed dated 13 November 1997 between AMPCI (formerly AMP Investments (N.Z.) Limited) and Perpetual Trust Limited;

ANZO Asset Transfer Agreement means the Assets & Liabilities Transfer Agreement to be dated on or about 22 October 2010 between the Company and Perpetual Trust Limited (in its capacity as Trustee of ANZO) under which the Company will acquire all of the shares in ANZO's property owning companies and all of ANZO's other assets (except for specified excluded assets);

Base Management Services has the meaning given to that term in clause 5.2;

Base Management Services Fee has the meaning given to that term in clause 9.2;

Benchmark Index means, subject to clause 9.4(f), the NZX Property Index (calculated including the value of imputation credits of constituent members) excluding the Company;

Benchmark Return means, as at the last day of a Quarter, the percentage change in the Benchmark Index over that Quarter;

Board means the board of directors of the Company;

Business Day means any day excluding a Saturday, Sunday, New Zealand public holiday and Wellington Anniversary Day;

Call Option has the meaning given to that term in clause 8.1;

Cap means 1.25% of the weighted average number of shares in the Company on issue during the Quarter multiplied by the Opening Share Price multiplied by 10%;

Carrying Account means an account of the kind described in clause 9.4(g), the purpose of which is to keep an up-to-date record of past performance;

Chief Executive Officer means the chief executive officer of the Company (who is also to be the chief executive officer of the Manager);

Chief Financial Officer means the chief financial officer of the Company (who is also to be the chief financial officer of the Manager);

Company Index has the meaning given to that term in clause 9.4(e)(ii);

Confidential Information means any and all information and data in any form that:

- (a) is related to the business or financial affairs, operations, methodologies, personnel, suppliers, customers (including Lessees), systems, processes, plans or pricing of a party (or of a Related Company) or a Property of the Company (or of a Related Company); or
- (b) is obtained from the other party or a Related Company of the other party and that is a trade secret or is otherwise confidential in nature or is expressed to be confidential,

whether obtained before or after the date of this Agreement;

Deficit means, in respect of a Quarter, an amount calculated under, and in accordance with, clause 9.4(b);

Delegated Authorities means such authorities delegated by the Board in writing to the Manager from time to time;

Development Properties means any real property asset owned or leased by the Group which is either:

- (a) under construction; or
- (b) is fully vacant and undergoing refurbishment work,

in each case for which no certificate of practical completion has been issued in respect of such development or refurbishment work;

Disengagement Services means performing the following:

- (a) transferring, relocating or (with the Board's prior written consent) disposing of equipment and tangible property owned by the Group from the Manager's sites to the locations designated by the Company;
- (b) providing reasonable access to premises, staff and information relevant to the Base Management Services and any Additional Services performed by the Manager;
- (c) assisting with the transfer of relevant contracts (including sub-contracts and third party software licences) relating exclusively or primarily to the provision of the Base Management Services or any Additional Services performed by the Manager to the Group or to a third party designated by the Company as a successor manager;
- (d) migrating relevant software owned by the Group, together with the Group's data, to the relevant Group member or to a third party designated by the Company as a successor manager;
- (e) consultancy services required to assist with the seamless migration of the Base Management Services and any Additional Services performed by the Manager to the Group or to a third party designated by the Company as a successor manager; and
- (f) such other services as the Company may reasonably require to ensure an orderly and timely migration of the Base Management Services and any Additional Services performed by the Manager from the Manager to the Group or to a third party designated by the Company as a successor manager;

Effective Date means the later of 1 November 2010 or the date on which Shares in the Company are transferred to unitholders of ANZO in connection with the Reorganisation;

Expert means, for the purposes of clause 14.5, an independent expert having relevant experience and expertise in the management of commercial office properties (including fee structures under commercial office property management agreements);

Fees means the fees to be paid to the Manager under clause 9;

Force Majeure means, in relation to either party, any event or circumstance which is beyond the reasonable control of that party, including strikes, lockouts or other industrial disputes (whether involving the workforce of the party so prevented or of any other party), act of God, fire, flood, war, riot, civil commotion, malicious damage and failure of third party infrastructure, except to the extent that such event or circumstance could have been prevented, overcome or mitigated as a result of exercising reasonable care;

GAAP means generally accepted accounting practice in New Zealand as defined in section 3 of the Financial Reporting Act 1993, including New Zealand equivalents of International Financial Reporting Standards;

Group means the Company and every Subsidiary of the Company and also includes a separate reference to any member of the Group, and to two or more members of the Group;

Key Personnel means each person fulfilling one or more of the following roles of the Manager:

- (a) the chief executive officer;
- (b) the chief financial officer;
- (c) the portfolio manager;

(d) the national investment manager;

Initial Amount means, in respect of a Quarter, an amount calculated under, and in accordance with, clause 9.4(b);

Laws means:

- (a) any statute, regulation, by law, ordinance or subordinate legislation in force from time to time in New Zealand to which a party is subject;
- (b) the common law and the law of equity of New Zealand as applicable to the parties from time to time;
- (c) any binding New Zealand court order, judgment or decree;
- (d) any applicable industry code, policy or standard enforceable by New Zealand law; or
- (e) any applicable direction, policy, permission, consent, licence, rule or order that is binding on a party and that is made or given by any governmental, legal or regulatory body having jurisdiction in New Zealand over a party or any of that party's assets, resources or business;

Leases means any tenancy, lease, licence to occupy or other right of occupation in relation to the whole or any part of the Properties;

Lessees means any tenant, lessee, licensee or occupier under any Lease;

Licence Agreement means the trademark deed of licence between AMP Life Limited, as licensor, and the Company, as licensee, dated on or around 27 September 2010;

Listing Rules means the NZSX Listing Rules of NZX Limited;

Majority Shareholder has the meaning given to that term in clause 8.1;

Management Fees means the fees referred to in clause 9.1;

Manager's Interest has the meaning given to that term in clause 8.1;

Mark means any name, brand or logo (and all versions and derivations thereof) owned by, or associated with, the Company, the Group or the Group's business in the future and, in each case, includes the Group's intellectual property (if any) in those Marks. For the avoidance of doubt, Mark excludes the word mark "AMP" (the use of which is granted to the Company under the Licence Agreement), used either alone or in conjunction with another trade mark, device, text character, logo, word or name;

Month means a calendar month;

Opening Share Price has the meaning given to that term in clause 9.4(e);

Outperformance means, in respect of any Quarter, the Shareholder Return for the Quarter less the Benchmark Return for the Quarter;

Performance Fee means, in respect of a Quarter, an amount payable as a Performance Fee under, and in accordance with, clause 9.4(c);

Properties means the land together with all buildings and improvements thereon and other properties from time to time owned by the Group (or any of them) or leased by the Group (or any of them) from any other person and **Property** means any one of the Properties;

Quarter means the three-month period ending on the last day of March, June, September and December of each year;

Related Company has the meaning given to that term in section 2(3) of the Companies Act 1993, provided that, for this purpose, references to “company” in that section extend to any body corporate or legal person wherever incorporated or registered;

Services Warranty has the meaning given to that term in clause 14.2;

Share means an ordinary share in the Company;

Shareholder means a shareholder of the Company;

Shareholder Return has the meaning given to that term in clause 9.4(e)(i);

Subsidiary has the meaning given to that term in section 5 of the Companies Act 1993;

Tier means \$1,000,000,000;

Terminal Performance Fee means the amount, if any, calculated (having regard to clause 9.1(c)) as at the Termination Date as a Performance Fee under clause 9.4 for the period between the end of the Quarter immediately preceding the Termination Date and the Termination Date;

Termination Date means the date any termination of this Agreement takes effect in accordance with the terms of this Agreement, including following the expiry of any applicable notice period; and

Value of Investment Property means the total value of all real property assets owned or leased by the Group (excluding any Development Properties) during all or part of the relevant Month, as determined in accordance with GAAP and calculated on a daily basis so as to reflect revaluations, acquisitions and disposals of assets occurring during the Month, with the value attributed to each such asset being the value stated or reflected in the latest full year or half year financial statements of the Company, adjusted for:

- (a) if an asset has been independently valued since the date of those financial statements and prior to the date of calculation the value stated in such independent valuation will, from the date of the valuation, be the value attributed to that asset; and
- (b) if an asset has been acquired during the relevant Month and after the date of those financial statements, and paragraph (a) does not apply, the value attributed to that asset will, from the date of the acquisition, be the historic cost (being either the acquisition cost or the development cost as depreciated in accordance with GAAP) of the asset; and
- (c) if an asset has been agreed to be sold during the relevant Month the value attributed to that asset will, up to the date of disposition, be the price received or receivable for the asset on disposition.

1.2 General references

- (a) In this Agreement, unless the context otherwise requires: a reference to a clause, schedule or annexure is a reference to a clause of, schedule to, or annexure to this Agreement;
- (b) a reference to this Agreement or another instrument includes any variation, novation, or replacement of either of them;

- (c) a reference to a statute or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them (whether before or after the date of this Agreement);
- (d) references to and expressions used in connection with financial calculations, valuations, accounting or financial reporting functions or their description in this Agreement bear the respective meanings ascribed to like expressions or expressions to similar intent under GAAP;
- (e) the singular includes the plural and vice versa;
- (f) “including”, “for example” and similar words are illustrative and do not imply any limitations;
- (g) the word person includes an individual, a body corporate, an association of persons (whether corporate or not), a trust, a state and an agency of state, in each case, whether or not having a separate legal personality;
- (h) a reference to a person includes a reference to the person’s executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and permitted assigns;
- (i) a reference to \$ or dollars is a reference to the lawful currency of New Zealand and, unless otherwise specified, all amounts payable by a party under this Agreement are to be paid in that currency;
- (j) words importing one gender include the other gender; and
- (k) headings are inserted for convenience and do not affect the interpretation of this Agreement.

2. Condition

This Agreement, and the rights and obligations of the parties under it, are conditional upon:

- (a) “Settlement” (as such term is defined in the ANZO Asset Transfer Agreement) occurring pursuant to the ANZO Asset Transfer Agreement; and
- (b) ordinary shares in the Company being transferred to unitholders in ANZO in connection with the Reorganisation.

3. Appointment

3.1 Appointment

The Company appoints the Manager, and the Manager accepts the appointment, as the sole and exclusive provider of the Base Management Services from the Effective Date on the terms and conditions contained in this Agreement.

3.2 Exclusive appointment

While this Agreement is in force, the Company will not appoint, and will procure that no other member of the Group will appoint, any other person to provide any of the Base Management Services to be provided by the Manager under this Agreement, or such services as are comparable to the Base Management Services to be provided under this Agreement, except:

- (a) if the Manager actually or practically refuses or fails to provide any Base Management Service as and when it is required to do so under this Agreement and, following request in writing by the Company to provide the Base Management Service, the Manager has not (without good reason) provided that Base Management Service within a reasonable time frame in the circumstances;
- (b) where the Company is entitled to arrange for the alternative provision of Base Management Services under clause 12.2(d);
- (c) as a temporary measure, if there is an emergency or event of Force Majeure which prevents the Manager from providing all or some of the Base Management Services but only to the extent that such Base Management Services cannot be provided by the Manager;
- (d) where the Company wishes to transition the provision of one or more of the Base Management Services from the Manager to the Company or to a third party during the notice period where the Agreement has been validly terminated; or
- (e) with the prior written consent of the Manager.

To avoid any doubt, the Board may, at the cost of the Company, at any time, and for any reason, engage consultants or advisors to advise the Board on any matter (which, for the avoidance of doubt, shall not include performing Base Management Services).

3.3 Application of exceptions

If any member of the Group arranges services under and by virtue of the exceptions in clause 3.2, then the reasonable cost of those services will be deducted from the Management Fees before any further Management Fees are payable to the Manager provided that, for any period, the amount of the deduction shall not in any case exceed the amount of the Management Fees for that period and the Manager shall not be liable to make any payment to the Company in respect of services arranged or procured by it under and by virtue of those exceptions.

3.4 Staff

- (a) The Manager is responsible for ensuring that it has the resources and expertise to meet its obligations under this Agreement, including providing the Base Management Services and any Additional Services to be performed by the Manager.
- (b) The Manager will ensure that all employees and secondees involved in the performance of the Base Management Services and any Additional Services to be performed by the Manager have sufficient and appropriate expertise and experience so as to enable the Manager to effectively and efficiently carry out the Base Management Services or Additional Services (as applicable) in accordance with this Agreement.
- (c) The Manager will ensure that each employee of the Manager and any secondees engaged by the Manager for the provision of Base Management Services or any Additional Services to be performed by the Manager always acts consistently with, and so as to give effect to, this Agreement.

4. Term

This Agreement is, following signing by both parties, effective from the Effective Date and will continue until such time as it is terminated in accordance with the provisions of this Agreement.

5. Manager's obligations

5.1 Direction and supervision of the Board

- (a) Subject to any other provision of this Agreement, the business and affairs of the Company are to be managed by the Manager under this Agreement under the direction and supervision of the Board and the Board retains complete discretion to oversee the Manager's management of the Group, and to direct the Manager to act in relation to the Group as the Board believes is reasonably necessary. The Manager will act in accordance with all such directions from the Board unless they are inconsistent with the rights and obligations of the Manager under this Agreement or a breach of Law.
- (b) Without limiting clause 5.1(a) above, the Board will determine what it considers to be the appropriate strategies and business plans for the Company and the Group from time to time. The Manager will be responsible for the implementation of those strategies and business plans in accordance with the terms of this Agreement.
- (c) From time to time, the Board may delegate any one or more of its powers, other than a power set out in the Second Schedule to the Companies Act, to the Manager under a Delegated Authority. Any Delegated Authority will take effect when conferred on the Manager and may be revoked by notice in writing by the Board to the Manager at any time.

5.2 Base Management Services

The Manager will perform the following base management services (**Base Management Services**) for the Company:

- (a) the services set out in Schedule 1; and
- (b) such other services expressly agreed in writing by the parties as being within the scope of the Base Management Services from time to time,

in accordance with the strategies and business plans approved by the Board from time to time.

5.3 Duties

The Manager, in performing the Base Management Services and any Additional Services, will:

- (a) provide the Base Management Services and Additional Services, if applicable, in a skilled and professional manner consistent with a standard of competence which can reasonably be expected from someone of good standing engaged by companies in the property investment sector for services of a magnitude and nature similar to those to be provided by the Manager;
- (b) manage the Group's business in such a way as to seek to maximise the value of the Shareholders' investment in the Company over the medium to long term, provided that, for the avoidance of doubt, the Manager gives no warranties as to the performance, prospects or profitability of the Company and no guarantees that the value of the Shareholders' investment will be maintained or increased;
- (c) act at all times in the best interests of the Company and the other members of the Group;

- (d) act in good faith;
- (e) exercise due care in exercising the rights, powers and authorities granted to it under this Agreement;
- (f) ensure the Manager has sufficient resources, experience and expertise so as to provide the Base Management Services and Additional Services, if applicable, when and in the way and to the standard required by this Agreement and otherwise to meet its obligations under this Agreement;
- (g) use all reasonable endeavours to comply with, and ensure that each member of the Group complies with:
 - (i) all Laws;
 - (ii) the Listing Rules; and
 - (iii) any rules or requirements of any self-regulatory organisation to which the Company is affiliated,
 in each case to the extent applicable; and
- (h) manage the Manager's records so as to enable the Manager to provide the Company with access to such records in accordance with clause 5.4.

5.4 Access to Manager's information

The Manager will provide the Company with:

- (a) access to the Manager's documents, records and other information relating to the Company, the Group, the business of the Company or the Group, this Agreement, the Base Management Services and/or the Additional Services performed by the Manager, at any time during business hours upon reasonable notice;
- (b) reasonable assistance for the purposes of enabling the Company and/or its advisers, auditors or agents (other than, in each case, any competitor of the Company) to monitor the Manager's compliance with the terms of this Agreement, including by:
 - (i) allowing any of those persons to inspect such documents, records and other information on the Manager's premises; and
 - (ii) allowing those persons to take accurate and complete copies of such documents, records and other information; and
- (c) notice of any material matter that may adversely affect the willingness, capacity or ability of the Manager to perform its obligations under this Agreement as soon as the Manager becomes aware of that matter.

The Manager will retain, in addition to the records it is required to retain under the Companies Act 1993, all documents, records or other information of the kind referred to in clause 5.4(a) for a period of seven years or for such shorter period as (in respect of all or such specified documents, records and other information) the Board decides.

5.5 Authority

The Manager will not:

- (a) have any authority to act or to assume any obligations on behalf of the Company or any other member of the Group; or
- (b) represent by act or omission that it is the agent of the Company or any other member of the Group,

except in accordance with, and subject to the conditions of, this Agreement or any Delegated Authorities.

5.6 Engaging advisers

The Manager may, in accordance with the powers delegated to it by the Board and at the expense of the Company, appoint advisers to act for the Company, or any other member of the Group, in respect of accounting, tax and audit matters, legal matters and other external consulting matters. Where required by the Company, each such adviser appointed by the Manager must agree and acknowledge that:

- (a) it owes a duty of care to, and contractual responsibilities to, the Company or the relevant member of the Group in respect of its advice; and
- (b) all warranties or guarantees given in respect of its advice are given to, or for the benefit of, the Company or the relevant member of the Group.

The Company acknowledges that any such advisers appointed by the Manager will be providing the relevant advice to the Company and that, in the absence of gross negligence or wilful default by the Manager, the Manager will not be responsible for any loss incurred by the Company arising out of or in connection with any advice provided to the Company by an adviser engaged by the Manager under this clause.

5.7 Manager acts solely as agent of the Company

For the purposes of this Agreement and the performance by the Manager of its duties, the Manager shall act solely as the agent of the Company.

5.8 Costs, disbursements and expenses

- (a) Subject to clause 5.8(c) and clause 5.9, all third party costs properly and reasonably incurred by or on behalf of the Manager in the performance of its obligations under this Agreement in its capacity as manager and agent of the Company, shall be the costs of the Company only. To the extent these costs are paid by the Manager, the Company will reimburse the Manager.
- (b) Subject to clause 5.8(c) and clause 5.9, the third party costs properly and reasonably incurred by or on behalf of the Manager that the Company is to bear in accordance with clause 5.8(a) include, without limitation, the following third party costs to the extent they are properly and reasonably incurred:
 - (i) the establishment costs of the Company;
 - (ii) all costs payable in respect of the provision of Additional Services;

- (iii) legal fees and expenses incurred by the Manager in respect of the Group's business (excluding any legal fees incurred by the Manager in connection with a dispute with the Group under this Agreement);
- (iv) all costs and expenses incurred in connection with the acquisition, disposal, development, financing, leasing and any other dealing with any Property or other asset of the Group;
- (v) all fees and expenses relating to advice in respect of the Group or its assets payable to valuers and professional advisers (including accounting and taxation advisers) whether or not they are associates of the Manager (provided that any fees and expenses payable to associates of the Manager that exceed amounts calculated on an arm's length basis or which are not at least as favourable to the Company as could have been obtained elsewhere at the same time as the Manager entered into the relevant agreement, shall not be borne by the Company);
- (vi) all taxes, fees or other governmental charges levied against the Company and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Group;
- (vii) all costs of prosecuting or defending any legal action by a third party for or against any member of the Group, the Manager or their affiliates (except to the extent that the person incurring the expense is grossly negligent or to have wilfully defaulted, in which case those expenses paid or reimbursed must be repaid) and provided that any such legal action against the Manager or its affiliates relates to the role of the Manager pursuant to this Agreement;
- (viii) all other expenses of the Group's operations, including costs and fees of trustees, custodians, insurance coverage (including directors and officers and professional indemnity insurance) and insurance of the assets of the Group, and any bank charges;
- (ix) all auditing fees in relation to the Group or any special purpose vehicle established by the Group;
- (x) all costs associated with raising or attempting to raise new capital or other funding for the Group;
- (xi) the promotion costs of the Company, including:
 - (A) the costs payable to third parties for establishing and maintaining securities registers;
 - (B) office expenses associated with postage, cheques, transaction advices, accounts, distribution statements, notices, reports and other documents sent to an investor;
 - (C) the costs of dealings with NZX Limited or any other body in respect of the listing or quotation of Company securities;
 - (D) the costs of dealing with investor enquiries and complaints;
 - (E) the costs of investor communications and public relations advisers whose appointment has been approved by the Board (whether under Delegated Authorities or otherwise); and

- (F) the costs associated with publications and other marketing and promotional costs, including roadshows and presentations, whether in relation to the establishment of the Company or on an ongoing basis;
 - (xii) the fees payable to any regulatory, industry or other similar body in relation to the Company or any member of the Group;
 - (xiii) the costs associated with the assigning or maintenance of a credit rating to the Company, the Group or any assets;
 - (xiv) the costs of convening and holding meetings of holders of securities of the Company and the implementation of any resolutions; and
 - (xv) the costs associated with the termination, winding up or liquidation of the Company, any member of the Group or the retirement or removal of the Manager (other than fees paid for Disengagement Services under clause 12.4, which, for the avoidance of doubt, will not be payable twice by the Company).
- (c) The Manager will be responsible for:
- (i) all of its normal day-to-day operating expenses, such as secondment fees and the compensation of its staff involved in the performance of the Base Management Services and, if applicable, the cost of office space, office equipment, communications, utility and other such normal overhead expenses;
 - (ii) fees payable by it under the AMPCI Service Level Agreement; and
 - (iii) third party costs directly related to the Base Management Services, except to the extent that those third party services are typically outside of the usual skills and expertise of an experienced property business manager.

5.9 **Manager's authority to incur costs, disbursements, expenses and other amounts**

- (a) The Manager shall in carrying out its obligations under this Agreement be subject to the direction and control of the Board (acting reasonably) in respect of the incurring of any cost, disbursement, expense or other amount as agent and on behalf of the Company.
- (b) The Manager shall not incur on behalf of the Company any costs, charges, expenses or liabilities except to the extent:
 - (i) provided for in the Annual Budget or the then applicable business plan approved by the Board;
 - (ii) authorised under any Delegated Authorities; or
 - (iii) otherwise approved in writing by the Board.

5.10 **Key Personnel and other staff**

- (a) The Company acknowledges that the Manager:
 - (i) may enter into arrangements, including the AMPCI Service Level Agreement, or otherwise procure services and staff, including Key Personnel, to be made available to the Manager to enable the Manager to perform its obligations under this Agreement;

- (ii) may determine all matters relating to its organisational structure in its sole discretion; and
- (iii) is free to organise itself and put in place its own arrangements as it determines as necessary to allow it to deliver the Base Management Services and any Additional Services to be performed by it,

provided that it consults with the Board regarding all material matters affecting the Manager's ability to deliver the services required under this Agreement.

- (b) Notwithstanding sub-clause (a) above, the Manager remains responsible for providing access to, or otherwise employing, all staff, including Key Personnel, necessary to perform the Manager's obligations under this Agreement.
- (c) The Manager will:
 - (i) ensure that each of the Key Personnel is dedicated to, and works exclusively in providing services to, the Group under this Agreement except, and only, to the extent specifically agreed otherwise by the Board in writing;
 - (ii) ensure that the employment or secondment arrangements relating to the Key Personnel require that Key Personnel act in the best interests of, and for the benefit of, the Group;
 - (iii) consult with the Board in relation to any review of the remuneration or the performance of any of the Chief Executive Officer and the Chief Financial Officer;
 - (iv) ensure that the Chief Executive Officer and the Chief Financial Officer are appointed to or removed from their respective roles only after, and conditional upon, consultation with the Board;
 - (v) ensure that clauses (i) to (iv) above are complied with in respect of any change of staff; and
 - (vi) ensure that any material changes to the roles or position descriptions specified in paragraphs (a) to (d) of the definition of "Key Personnel" are made only in consultation with the Board.

5.11 Manager's responsibility

Without limiting clause 3.4, the Manager will:

- (a) use all reasonable endeavours to ensure that all employees, secondees and permitted sub-contractors engaged in performing Base Management Services comply with, observe and perform, this Agreement just as if they were parties to it; and
- (b) be responsible for, and liable to the Group for, the acts and omissions of such employees, secondees and any sub-contractors.

5.12 Insurance

The Manager will ensure that it has in place, at all times during the term of this Agreement, such professional indemnity insurance and other insurance, and the extent of coverage for such insurance, as is reasonable for a service provider providing services in the nature of the Base Management Services and as is consistent with any relevant good industry practice, with a minimum insured sum of \$2,000,000.

5.13 Assets

- (a) The Manager will ensure that all Properties, assets, rights and other property of the Company or other member of the Group are held in the name of the Company or the relevant Group member. Such Properties, assets, rights and other property include:
- (i) anything which is, or should be, included in the Company's or a Group member's statement of financial position or statement of financial performance;
 - (ii) all consents, warranties, titles, patents, trade marks and design rights; and
 - (iii) subject to the Licence Agreement, all software or other intellectual property purchased by or developed for and at the expense of the Company or the Group (whether before or after the date of this Agreement) or used exclusively for the provision of the Base Management Services or in the operations and/or management of the Company or the Group's business, transactions or affairs.
- (b)
- (i) The Manager will as soon as practicable notify the Company if the Manager becomes aware of any infringement or potential infringement of any Mark or the Licence Agreement. The Manager will take all steps as are reasonably necessary to ensure that a Mark is only used consistently with, and for the purposes of, this Agreement and otherwise in accordance with the Licence Agreement (if and to the extent applicable to the Mark).
 - (ii) If this Agreement is terminated, the Manager will, at its own cost and expense:
 - (A) promptly cease to use, and not thereafter use either directly or indirectly in any manner any Mark or any sign, word, brand or symbol which is confusingly similar to it;
 - (B) not do, or omit to do, any act or thing which may cause or tend to cause a third party to believe that the Manager is associated with, or connected with, the Company or the Group;
 - (C) promptly deliver to the Company (or dispose of or otherwise deal with as directed by the Company) any material incorporating a Mark or to which a Mark may have been applied; and
 - (D) ensure that its agents, employees, secondees and contractors comply with these provisions.
- (c) The Manager acknowledges that, as between it and the Company, if:
- (i) it has any rights in or to the Group's intellectual property (including a Mark) or the goodwill in the Group's intellectual property (including a Mark), those rights will automatically vest exclusively in the Company (if necessary, for the Group) on termination of this Agreement; and
 - (ii) it will, at the Company's request, execute all documents and instruments and do all things reasonably required by the Company to give effect to this clause.
- (d) For the avoidance of doubt:
- (i) as at the date of this Agreement, the Company does not own any Marks; and
 - (ii) nothing in this clause 5.13 confers any rights on the Company:

- (A) that are inconsistent with or in contravention of the Licence Agreement;
or
- (B) in respect of the use of the word “AMP” by the Manager.

5.14 **Provision of Base Management Services by sub-contractors and related parties**

- (a) The Manager may perform some or all of the Base Management Services by and through sub-contractors at the Manager’s sole discretion and cost, provided that the Manager must not subcontract the performance of its obligations under this Agreement in respect of the Base Management Services without the Board’s prior written consent (such consent not to be unreasonably withheld).
- (b) No such subcontracts will relieve the Manager from its responsibility to the Company to deliver and perform the Base Management Services or other obligations of the Manager under this Agreement. It will be the Manager’s responsibility to ensure any subcontractors comply with the terms and conditions of this Agreement.
- (c) The Manager is to notify the Board in writing of the appointment or termination of appointment of any subcontractor within ten Business Days of such appointment or termination and, as part of such notification, provide confirmation to the Company that the relevant subcontractor(s) have the necessary competence and skill to perform the sub-contracted tasks.
- (d) The Manager may appoint any associate of the Manager as a sub-contractor to perform Base Management Services in accordance with this clause 5.14.

5.15 **Review of Performance**

From time to time as reasonably determined by the Board, but at least annually, the parties will carry out a joint review of the Manager’s performance of its obligations under this Agreement and the delivery of the Base Management Services by the Manager. The review will be conducted by two members of the Board and two members of the board of directors of the Manager or such other persons as the parties may agree. It is agreed that:

- (a) the review will not give rise to any additional rights of termination of this Agreement; and
- (b) no changes to this Agreement, the Base Management Services or the fees payable under this Agreement will be deemed to occur or arise as a consequence or outcome of any such performance review unless the Manager and the Company agree to any such change in writing or such change is permitted under the terms of this Agreement.

6. **Company’s obligations**

6.1 **Access to Company’s information**

The Company will provide, and the Company will procure that any other member of the Group provides, to the Manager for the purposes of allowing the Manager to meet its obligations under this Agreement:

- (a) access to the entity’s documents, records and other information relating to the Group;
- (b) access to the entity’s directors; and
- (c) such other reasonable assistance as is necessary.

6.2 Accounts

- (a) Subject to sub-clause (b) below, the Company will ensure that at all times there are sufficient monies in its bank accounts to enable the Manager to pay the Company's expenditure.
- (b) The Manager is to use reasonable endeavours to ensure the Company is able to comply with sub-clause (a) above and will notify the Board immediately it considers the Company may be unable to meet its budgeted expenditure.
- (c) The Company grants the Manager the authority to draw on the Company's bank accounts for the purpose of making payments on behalf of the Company to cover properly incurred costs, disbursements and expenses, including the payment of Management Fees.
- (d) The Company will ensure that all of the Company's income and expenditure (whether relating to the Properties or otherwise) is paid into and from the Company's bank accounts.

6.3 Board appointment rights

- (a) Subject to the Listing Rules and the requirements of any waiver of the Listing Rules granted by NZX from time to time, for such time as the Manager is acting as manager pursuant to this Agreement, the Manager will be entitled, by notice in writing to the Company, to appoint up to two directors to the Board (and to substitute or remove such two directors by notice in writing to the Company). The Company will procure that its constitution expressly provides such right of appointment of Directors and the Company will use its best endeavours to obtain all necessary consents and waivers to maintain and give effect to the rights of the Manager under this clause 6.3(a).
- (b) For the avoidance of doubt, nothing in this Agreement limits any right of Haumi Development Limited Partnership, or any successor thereto, to appoint any person as a director of the Company in accordance with the constitution or other document of the Company. Any such right would be separate from, and additional to, the rights of the Manager set out in this clause 6.3.
- (c) The Company will, to the extent necessary, take all reasonable steps to maintain the currency of a waiver or ruling by NZX which will entitle the Manager to exercise its rights in accordance with clause 6.3(a). The Company will consult with the Manager regarding any communications with NZX regarding such waiver or the related provisions of the Listing Rules.

7. Other Services

7.1 Additional Services to be procured by Manager

The Manager will procure the provision to the Company of:

- (a) each of the additional services set out in Schedule 2; and
- (b) each other service which is not a Base Management Service and which the Company requests the Manager to perform by notice in writing to the Manager,

(collectively, the **Additional Services**).

7.2 Provision of Additional Services

Each Additional Service may be provided:

- (a) by any person approved by the Manager as having sufficient expertise and resources available to it to perform the Additional Service; or
- (b) by the Manager, provided that in the case of Additional Services that are not listed in Schedule 2, the Manager can demonstrate to the reasonable satisfaction of the Board that the Manager has sufficient expertise and resources available to it to perform the Additional Service,

so long as the provision of the Additional Service by that person is:

- (c) approved by the Board (which approval is not to be unreasonably withheld or delayed) provided that such approval need not be given until the Manager has confirmed to the Board that the Additional Service is to be performed on terms and conditions, and for fees, that are fair and reasonable to the Company; or
- (d) in accordance with any Delegated Authorities.

7.3 Terms and conditions of Additional Services

- (a) Where the Manager engages any person (other than a person referred to in sub-clause (b) below) to perform any Additional Services under any Delegated Authority, those Additional Services will be performed on terms and conditions, and for fees, that the Manager is satisfied are fair and reasonable to the Company.
- (b) Where the Manager or any Related Company of the Manager performs any Additional Services that are listed in Schedule 2, those Additional Services will be performed for the applicable fees that are listed in Schedule 3 and otherwise on terms and conditions applicable to those under arrangements entered into on an arm's length basis by an unrelated third party offering services of a similar type, scope and quality, unless the Board approval for the performance of those Additional Services or the Delegated Authorities under which they are performed provides otherwise.
- (c) Where the Manager or any Related Company of the Manager performs any Additional Services that are not listed in Schedule 2, those Additional Services will be performed on terms and conditions, and for fees, that are:
 - (i) no more beneficial (taken as a whole) to the Manager or Related Company, as applicable, than would have been the case had those fees been negotiated on an arm's length basis by an unrelated third party offering services of a similar type, scope and quality; or
 - (ii) are otherwise demonstrably reasonable at the time that the Additional Services are performed or contracted for,

unless the Board approval for the performance of those Additional Services or the Delegated Authorities under which they are performed provides otherwise.

- (d) The Base Management Services are limited to those matters described in clause 5.2 and do not include the provision of the Additional Services. Any fees payable to a provider of Additional Services (including the Manager) are to be paid by the Company in addition to (and not out of) the Management Fees paid to the Manager.

7.4 Reporting regarding Additional Services

The Manager will provide a report to the Board as and when determined by the Board (not to be at intervals more frequent than quarterly):

- (a) setting out a brief description of all Additional Services performed or to be performed by the Manager or any Related Company of the Manager during the period of the report; and
- (b) setting out the amount of all fees and disbursements paid or payable to the Manager or any Related Company of the Manager for Additional Services during the period of the report.

7.5 Agreed pricing for certain Additional Services

- (a) Within two months of the occurrence of each second anniversary of the date of this Agreement either the Manager or the Company may request, by notice in writing to the other, that the pricing for Additional Services set out in Schedule 3 be revised to reflect then applicable market rates for such services and any other factors that the requesting party specifies in the notice.
- (b) Within a month of receipt of such notice, the parties will appoint one or more representatives and, through those representatives, will meet to discuss the pricing for Additional Services set out in Schedule 3, including (but not limited to) the matters set out in the notice from the requesting party.
- (c) If the parties agree in writing to any revisions to pricing for Additional Services set out in Schedule 3, the agreed revised pricing will be deemed to form part of Schedule 3 from the date of such written agreement and, unless otherwise agreed in writing, the revised pricing will apply with immediate effect, including to Additional Services then being performed by the Manager.
- (d) No party is obliged to agree to any revisions to Schedule 3 and the provisions of clause 16 will not apply to any negotiations under this clause 7.5, provided that neither party will unreasonably withhold its consent to any change in pricing where a party presents evidence satisfactory to the other party (acting reasonably) that the proposed revised pricing reflects the then applicable rates for such services if negotiated on an arm's length basis with an unrelated third party offering services of a similar type, scope and quality.
- (e) If the parties cannot agree on any revisions to the pricing for any Additional Services being performed at the time by the Manager or any Related Company of the Manager, the Manager or the Related Company of the Manager may, but is not obliged to, cease providing those Additional Services and the Manager will, if applicable and possible, engage another person to perform those Services in accordance with this Agreement.

8. Call option

8.1 Call option

The Manager irrevocably grants to any person (a **Majority Shareholder**) who acquires, or acquires the right or power to exercise or control the exercise of the votes attached to, 50% or more of the voting securities of the Company (whether directly or indirectly and whether by the ownership of share capital, contract or otherwise) an option (the **Call Option**) to purchase the Manager's interests in this Agreement (the **Manager's Interest**) by way of assignment upon and subject to the terms and conditions of this clause 8.

8.2 Exercise

- (a) The Call Option may be exercised by the Majority Shareholder within six weeks of the Majority Shareholder becoming a Majority Shareholder by notice in writing to the Manager unconditionally and irrevocably agreeing to purchase the Manager's Interest.
- (b) The Call Option will not be exercisable at any time after six weeks of the Majority Shareholder becoming a Majority Shareholder, and after that time the Call Option shall be void and of no further effect with respect to:
 - (i) the Majority Shareholder; and
 - (ii) any Associated Person (as such term is defined in the Listing Rules) of the Majority Shareholder.

8.3 Conditions of sale and purchase

Immediately upon exercise of the Call Option, the sale and purchase of the Manager's Interest shall take place on the following terms and conditions:

- (a) the consideration for the sale and purchase of the Manager's Interest shall be determined in accordance with clause 8.4;
- (b) the sale and purchase shall be completed at or before 2:00 p.m. on the fifth Business Day after the consideration is determined and all statutory or Listing Rule requirements (if applicable) have been satisfied, exempted or waived;
- (c) at completion the Manager shall deliver or procure delivery of a deed of assignment of its right, title and interest in this Agreement prepared on customary terms by the Manager (acting reasonably) and approved by the Company, and signed by the Manager and the Company (acting reasonably);
- (d) at completion the Majority Shareholder shall:
 - (i) deliver or procure delivery of the deed of assignment prepared by the Manager accepting the assignment of the Manager's right, title and interest in this Agreement to the Majority Shareholder, and accepting the obligations under this Agreement that arise from events occurring after completion, signed by the Majority Shareholder;
 - (ii) pay or procure payment of the consideration determined in accordance with clause 8.4; and
 - (iii) deliver or procure delivery of evidence satisfactory to the Manager that all consents required for the sale and purchase of the Manager's Interest have been obtained and remain in full force and effect and that any conditions of the consents have been satisfied;
- (e) time shall be of the essence in the performance by the Majority Shareholder, the Manager and the Group of their respective obligations under this clause 8.3;
- (f) except as set out in clause (h) below, the Manager has not made, and will not make, any representation or give any warranty as to the Manager's Interest, or as to any other matter and no such warranty shall be implied. The provisions of any enactment or of general law are negated or varied to the extent that they are inconsistent with the provisions of this clause to the maximum extent permissible by law;

- (g) upon payment to it of the consideration determined in accordance with clause 8.4, the Manager shall warrant and represent to the Majority Shareholder that immediately prior to transfer to the Majority Shareholder, the Manager's Interest is the unencumbered property of the Manager and that the Manager's Interest shall pass to the Majority Shareholder on completion; and
- (h) either the Majority Shareholder or the Manager may terminate the sale and purchase of the Manager's Interest by notice in writing to the other if completion of the sale and purchase has not occurred because of the default by the other or failure to satisfy the conditions (provided in the case of termination by the Majority Shareholder, it has taken all reasonable steps to satisfy the relevant condition) within six months of the exercise of the Call Option.

8.4 Consideration

Unless the consideration for the sale and purchase of the Manager's Interest is otherwise agreed in writing by the Manager and the Majority Shareholder (in which case such consideration will be deemed for the purposes of clause 8 to have been determined under this clause 8.4), the consideration for the sale and purchase of the Manager's Interest shall be determined as follows:

- (a) within 30 Business Days of the Call Option being exercised, each of the Manager and the Majority Shareholder will:
 - (i) obtain separate valuations of the rights held by the Manager under this Agreement from recognised valuation firms with expertise in the area of the valuation of management agreements; and
 - (ii) provide a full copy of the valuation obtained by it (together with a full copy of the engagement letter and the scope of work) to the other party and the Company;
- (b) following exchange of the items listed under sub-clause (a) above, the Manager and the Majority Shareholder shall negotiate for 10 Business Days to attempt to agree the consideration for the sale and purchase of the Manager's Interest;
- (c) if no agreement is reached during the negotiations under sub-clause (b) above, the parties will, within 30 Business Days of the expiry of the period referred to under sub-clause (b) above, obtain a third valuation of the rights held by the Manager under this Agreement from an independent recognised valuation firm with expertise in the area of the valuation of management agreements on such terms and with such scope as the parties determine. In the event that the parties have not agreed on a valuer, or on the terms and scope of the valuation, within 40 Business Days of the expiry of the period referred to under sub-clause (b) above, the independent valuer will be appointed at the request of either party by the President of the Institute of Chartered Accountants of New Zealand on such terms and with such scope as the President of the Institute of Chartered Accountants of New Zealand determines in his or her sole discretion. The valuation obtained must not be expressed as a range but as a defined amount and the valuation methodology must include, but is not limited to, a discounted cash flow analysis, an EBIT or other applicable earnings multiple analysis and a funds under management industry benchmark comparison of other relevant transactions. The amount determined by the valuer will be the consideration for the sale and purchase of the Manager's Interest; and
- (d) all costs associated with determining the consideration for the sale and purchase of the Manager's Interest will be shared equally by the Manager and the Majority Shareholder unless the Majority Shareholder fails to complete the purchase under the Call Option (in which case the Majority Shareholder will be responsible for all costs associated with determining the consideration for the sale and purchase of the Manager's Interest).

9. Fees

9.1 Management Fees

- (a) The Management Fees payable by the Company to the Manager will comprise the Base Management Services Fee (as set out in clause 9.2) and the Performance Fee (as set out in clause 9.4).
- (b) The Base Management Services Fee will accrue and be payable from and including the Effective Date. The Performance Fee will accrue and be payable from and including 1 October 2010.
- (c) If:
 - (i) the Effective Date, in the case of the first calculation of the Base Management Services Fee; or
 - (ii) the Termination Date, in the case of the final calculation of the Base Management Services Fee and the Terminal Performance Fee,

occurs on a date that is not the same date as the end of a Month (in the case of the Base Management Services Fee) or a Quarter (in the case of a Performance Fee), then any such first calculation or final calculation (as the case may be) will be undertaken on a pro rata basis.

9.2 Base Management Services Fee

The Base Management Services Fee will be an amount equal to:

- (a) 0.55% of the Value of Investment Property to the extent that the Value of Investment Property is less than or equal to the Tier; plus
- (b) 0.45% of the Value of Investment Property to the extent that the Value of Investment Property exceeds the Tier,

per annum (plus GST if any).

9.3 Payment of Base Management Services Fee

The Base Management Services Fee will be calculated for each Month by the Manager and will be paid by the Company to the Manager on the 20th day of each following Month. If the 20th day is a day when the banking system in Wellington will not transact business, payment will be made on the immediately succeeding day that the payment is able to be transacted.

9.4 Performance Fee

(a) Requirement to provide calculations

Forthwith after the end of each Quarter, and in each case for that Quarter, the Manager will calculate and determine:

- (i) the Benchmark Return;
- (ii) the Shareholder Return;
- (iii) the Outperformance;

- (iv) any Initial Amount;
- (v) any Deficit; and
- (vi) any Performance Fee,

and the Manager will, if requested by the Board, promptly provide each of those determinations, and any reasonable supporting material used in their calculation, to the Company. This clause also applies, amended as necessary, in connection with the calculation of the Terminal Performance Fee.

(b) **Calculation of the Initial Amount or Deficit**

The “**Initial Amount**” for a Quarter is 10% of the Outperformance for that Quarter multiplied by the weighted average number of shares in the Company on issue during the Quarter multiplied by the Opening Share Price, provided that if the Outperformance for the Quarter is a negative amount there will be no Initial Amount for the Quarter and the absolute value of the amount so calculated will be the “**Deficit**”.

(c) **Calculation of the Performance Fee**

The Performance Fee for a Quarter is calculated as follows:

- (i) the Performance Fee for a Quarter will not exceed the Cap;
- (ii) if, after taking account of an Initial Amount or of a Deficit and of any adjustment under clause 9.4(h), the Carrying Account has a debit balance, or a zero balance, no Performance Fee will be payable for that Quarter;
- (iii) if the Shareholder Return for the Quarter is negative, no Performance Fee will be payable for that Quarter; and
- (iv) if, after taking account of an Initial Amount or of a Deficit and of any adjustment under clause 9.4(h), the Carrying Account has a credit balance then, subject to clause 9.4(c)(i) above, the Performance Fee payable for that Quarter will be an amount equal to the credit balance.

(d) **Rounding**

For the purposes of clauses 9.4(a) to (c):

- (i) except where clause 9.4(d)(ii) applies, returns and amounts will be calculated to as many decimal places as the computation system used for the purpose permits but, in any event, to at least four decimal places; and
- (ii) in respect of an amount to be paid as a Performance Fee, the amount will be rounded using Swedish rounding.

(e) **Calculation of the Shareholder Return**

For the purposes of the definition of Shareholder Return:

- (i) the “**Shareholder Return**” is, as at the last day of a Quarter, the percentage change in the Company Index over that Quarter.
- (ii) the “**Company Index**” is an index calculated using the same methodology as the Benchmark Index except that:

- (A) the closing price of a Share for a Quarter will be the volume weighted average price (**VWAP**) of the Shares traded on the NZSX during normal market trading hours on the last five trading days of the Quarter (or, if there are no trades on any one of those days, then the VWAP of trades during normal market trading hours on the last five trading days of that Quarter on which trades occurred); and
- (B) the opening price of a Share for a Quarter will be the closing price for the previous Quarter (or in the case of the first Performance Fee payment, the opening price of a Share will be the VWAP of ANZO units traded on the NZSX during normal market trading hours on the last five trading days prior to 1 October 2010 (or, if there are no trades on those days, then the VWAP of trades during normal market trading hours on the last five trading days prior to 1 October 2010 on which trades occurred)) (the **Opening Share Price**),

and the only constituent member of the Company Index will be the Company.

- (iii) Adjustments will be made by the Manager to the calculation of the Opening Share Price to eliminate the effect of rights issues and other changes in capital structure that occur in the relevant Quarter. The Manager will ensure that the method of calculation that it uses is approved by a suitably qualified independent accountant as being fair and reasonable in the circumstances and consistent with the methodology (if any) that would be used to adjust the Benchmark Index in those circumstances.

(f) **Changes to the NZX Property Index**

If, after the date of this Agreement, the NZX Property Index ceases to exist, or is altered in a way which is both material to the calculation of the Performance Fee and results in it ceasing to be an appropriate measure of an aggregate equity return on the major publicly listed property investment vehicles in New Zealand (relevant criteria), then there will be substituted for the NZX Property Index the index which most closely approximates the NZX Property Index and which meets the relevant criteria and which is approved by the Board and the Manager (or failing agreement by them within 20 Business Days of a request by either the Board or the Manager to adopt a substitute index, an independent expert appointed by them will determine the index that represents the most equivalent measure of an aggregate equity return on the major publicly listed property investment vehicles in New Zealand). This clause will apply as often as is required and the reference to "NZX Property Index" will be construed as is necessary for that purpose. Whenever one index is substituted for another by virtue of this clause the parties will record that fact in writing. In the event that the independent expert determines that no substitute index is available that represents the most equivalent measure of an aggregate equity return on the major publicly listed property investment vehicles in New Zealand, the independent expert will determine a replacement methodology or basis of calculation of the Performance Fee that, in its opinion, most closely mirrors the calculation of the Performance Fee prior to the cessation of the NZX Property Index.

(g) **Operation of the Carrying Account**

- (i) The Company will maintain and operate the Carrying Account as if, subject to clause 9.4(h), it were a current or running account. The Carrying Account records notional sums of money: neither party is liable to pay money to the other by reference, from time to time, to the balance of the Carrying Account. The Manager may refer to the Carrying Account from time to time during the Company's normal business hours and upon reasonable notice.

- (ii) On the Effective Date:
 - (A) the carrying account used by ANZO and the Manager to determine the performance fee payable under the management arrangements in place between them immediately prior to the Effective Date will become the Carrying Account; and
 - (B) each of the components of the carrying account used by ANZO and the Manager (including the historical balances for the purposes of the roll-off of Initial Amounts and Deficits) will become the relevant components of the Carrying Account under this Agreement,

with the intention that, to the maximum extent possible, the Carrying Account will continue in force uninterrupted by the effectiveness of this Agreement and the transactions under the ANZO Asset Transfer Agreement.

- (iii) Each Deficit and amount paid as a Performance Fee will be debited to the Carrying Account with effect on the last day of the Quarter to which it relates.
- (iv) Each Initial Amount will be credited to the Carrying Account with effect on the last day of the Quarter to which it relates.

(h) Treatment of the Deficit and the Initial Amount

On the second anniversary of the date the relevant Deficit or Initial Amount was debited or credited (as the case may be) to the Carrying Account, any remaining part of that Deficit or Initial Amount will cease to be part of, or to be taken account of in, the Carrying Account and the balance of the Carrying Account will be adjusted accordingly. For that purpose:

- (i) the remaining part of a Deficit is the original amount of the Deficit less the aggregate of the amounts (if any) of any Initial Amounts credited to the Carrying Account during the roll off period;
- (ii) the remaining part of an Initial Amount is the original amount of the Initial Amount less the aggregate of the Performance Fees and of the Deficits (in either case, if any) debited to the Carrying Account during the roll off period;
- (iii) the original amount of a Deficit or of an Initial Amount is the amount which was debited or credited to the Carrying Account before and disregarding any deduction under clauses 9.4(h)(i) or (ii);
- (iv) the roll off period for a particular Deficit or Initial Amount is the period from the date upon which it was debited or credited (as the case may be) to the Carrying Account up to and including the second anniversary of that date; and
- (v) amounts which are to be deducted under clauses 9.4(h)(i) or (ii):
 - (A) will be deducted on a "first in, first deducted" basis;
 - (B) subject to (C) below, will only be used once in calculating the remaining part of a Deficit or of an Initial Amount; and
 - (C) will only be used to the extent necessary to reduce a Deficit or Initial Amount (as the case may be) to zero (any balance being available for further application of this clause 9.4(h)).

9.5 Payment of the Performance Fee

The Performance Fee will, following the Effective Date, be calculated for each Quarter in accordance with clause 9.4 and will, unless the Board agrees otherwise, be verified by the Company's auditors. Following verification of the calculation by the Company's auditors, the Performance Fee will be put to the independent directors on the Board for approval to be paid to the Manager by the 20th day of the month following the receipt of such verification or, if the parties agree to a different checking and authorisation process, the completion of such process. If the 20th day is a day when the banking system in Wellington will not transact business, payment will be made on the immediately succeeding day that the payment is able to be transacted.

9.6 Review of methodology or basis of calculation

At any time, but not more than once every two calendar years, either party may by three months notice in writing to the other, request a meeting of the parties to consider the amendments, if any, that may be desirable to the methodology or basis of calculation of the Management Fees. Within 20 Business Days of receipt of such a notice, the parties will make a senior officer or director available to meet with the representative appointed by the other party to review the Management Fees and the representatives will so meet. It is agreed that:

- (a) the review will be confidential to the parties;
- (b) the review will not give rise to any additional rights of termination of this Agreement; and
- (c) no changes to this Agreement or the Management Fees (or the methodology or basis of calculation of Management Fees) payable under this Agreement will be deemed to occur or arise as a consequence or outcome of any such performance review unless the Manager and the Company agree to any such change in writing.

9.7 Illustrative Management Fees example

An illustrative example of the calculation of Management Fees using hypothetical figures is set out in Schedule 4. In the event of any conflict, the illustrative example set out in Schedule 4 is subject in all respects to the provisions of clause 9.

10. Confidentiality

10.1 Restricted disclosure and use

Except to the extent set out in this clause 10 or otherwise expressly permitted in this Agreement, each party:

- (a) will only use Confidential Information for the purposes of this Agreement or otherwise for the purpose for which it was disclosed by the other party;
- (b) will keep Confidential Information confidential and not disclose any Confidential Information to any third party or in the presence of any person other than its personnel or advisors permitted under paragraphs (c) and (d) without first obtaining the written consent of the other party;
- (c) may disclose Confidential Information to its personnel to the extent they need to know the Confidential Information in the ordinary course of their work and activities or for a particular purpose, provided that the personnel have first been made aware of their

obligations to keep such information confidential and of the obligations in this clause 10, and it ensures that such personnel comply with those obligations;

- (d) may only disclose Confidential Information to its professional advisers if such disclosure is necessary for the purposes of receiving professional advice in relation to this Agreement and those professional advisers are subject to a duty of confidentiality in relation to that information; and
- (e) will take all action reasonably necessary to secure the Confidential Information against theft, loss or unauthorised disclosure.

10.2 Continuing obligations

The provisions of this clause will continue to bind a party notwithstanding that it may have ceased to be a party to the Agreement.

10.3 Return of information

Following termination of this Agreement, each party will immediately deliver to the other party all such Confidential Information (including all copies or reproductions of the same and all material referring to any such Confidential Information) within that party's possession or control together with a certificate signed by a director of the relevant party confirming that the information returned comprises all such Confidential Information held by that party.

11. Ownership of information

11.1 Ownership

The Manager acknowledges that all records, documents and information held by the Manager or prepared by or on behalf of the Manager for the purposes of, or in connection with, the provision of the Base Management Services and any Additional Services performed by the Manager under this Agreement are the property of the Company or another Group member, and the Manager has no right to use, disclose or retain those records, documents and information except in accordance with and for the purposes of this Agreement.

11.2 Access

If, following return by the Manager of any such records, documents and information, the Manager requires access to such records, documents and information for the purposes of either conducting or defending any litigation or other proceedings to which the Manager is a party or dealing with any tax or other statutory related matters arising as a consequence of the provision of the Base Management Services or any Additional Services performed by the Manager, the Company will, and the Company will procure that any other member of the Group will, following receipt of a written request from the Manager to that effect, permit the Manager such access to such records, documents and information, during normal business hours, as the Manager may reasonably require (and having regard always to any obligations of confidentiality to which the Company or relevant Group member may be subject and, for the avoidance of doubt, the obligations in clause 10 will apply to such records, documents and information), provided that:

- (a) the rules of discovery will apply in respect of any proceedings by the Manager against the Company or any member of the Group to the exclusion of the remainder of clause 11.2 above; and
- (b) if the Company determines in good faith that the Company or any member of the Group may be entitled to claim client legal privilege in respect of a document, or any part of a document, and the loss of the right to claim such privilege could result in

material damage to the Company or any member of the Group, whether at that time or at any time in the future, then the Company may impose such conditions on the Manager's access to the relevant document (including refusing to allow access) as the Company determines, in good faith, are appropriate to ensure that the right to claim privilege cannot be jeopardised by such access.

12. Termination

12.1 Termination for convenience

The Manager may terminate this Agreement at any time by giving the Company six months' written notice, and the Company will, on the Termination Date, pay to the Manager an amount equal to any accrued and unpaid fees and costs.

12.2 Termination on default

(a) Default by either party

Notwithstanding any other provision in this Agreement, either the Manager or the Company (the **Non-Defaulting Party**) may terminate this Agreement at any time with immediate effect by written notice to the other party, if the other party (the **Defaulting Party**) commits or is or becomes subject to any of the following events:

- (i) the Defaulting Party goes into liquidation (other than a voluntary liquidation for the purpose of reconstruction or amalgamation on terms previously approved in writing by the Non-Defaulting Party) or voluntary administration;
- (ii) a receiver, receiver and manager or administrator is appointed in respect of any of the assets of the Defaulting Party;
- (iii) an application is made to the Court or a meeting is called for any of those purposes in (i) and (ii) above (unless the Defaulting Party satisfies the Non-Defaulting Party in its reasonable opinion that the application or call for meeting is frivolous or vexatious);
- (iv) the Defaulting Party is unable to pay its debts as they become due;
- (v) the Defaulting Party enters into any arrangement or composition with its creditors generally (other than with the prior consent of the Non-Defaulting Party which is not to be unreasonably withheld);
- (vi) a statutory manager of the Defaulting Party is appointed under the Corporations (Investigation and Management) Act 1969; or
- (vii) the Defaulting Party commits a material breach of a material provision of this Agreement (which, in the case of the Manager, must be a breach specified in clause 12.2(b)) and (if the breach is capable of remedy) fails to remedy the breach within 20 Business Days (or where the breach is remediable in a longer period, such longer period as the Non-Defaulting Party agrees acting reasonably) after receipt of written notice from the Non-Defaulting Party requiring it to remedy the breach,

provided that the Company may only exercise the right of termination under this clause 12.2 (a) if the termination has been approved by special resolution of shareholders of the Company other than the Manager or Associated Persons (as such term is defined in the Listing Rules) of the Manager, at a properly called, quorate meeting of the Company. The Manager will not, and will use its reasonable

endeavours to procure that its Associated Persons do not, vote on any such special resolution.

(b) **Material breach by the Manager**

- (i) Without limiting clause 12.2(a)(vii), the Manager will be deemed to have committed a material breach of a material provision of this Agreement if:
- (A) it commits a breach or a series of related breaches of this Agreement which, in aggregate, have a material and adverse effect on the Company's financial performance, business or assets; and
 - (B) the Board provides a certificate to the Manager signed by two directors:
 - (1) specifying the nature and characteristics of each of the breaches in reasonable detail;
 - (2) describing the effect on the Company's financial performance, business or assets; and
 - (3) certifying that the breaches have had, in aggregate, a material and adverse effect on the Company's financial performance, business or assets; and
 - (C) the Manager has not:
 - (1) remedied those breaches, or such of those breaches so that the remaining breaches cease to have a material and adverse effect on the Company's financial performance, business or assets, or compensated the Company for those breaches, to the satisfaction of the Board acting reasonably; or
 - (2) if the breaches cannot be remedied, compensated the Company for any such breaches (to the satisfaction of the Board acting reasonably) and taken steps to ensure that the breaches do not happen again (to the satisfaction of the Board acting reasonably),

in each case within 30 Business Days of receiving the certificate (or where the breach is remediable in a longer period, such longer period as the Company agrees, acting reasonably).

- (ii) The Manager will also be deemed to have committed a material breach of a material provision of this Agreement if:
- (A) the Manager commits any act of fraud in connection with this Agreement which has a material and adverse effect on the Company's financial performance, business or assets which is not able to be compensated or remedied by a payment by the Manager; or
 - (B) a Change of Control of the Manager occurs without the Manager obtaining the written consent of the Company to the Change of Control.

In this clause 12.2(b), "**Change of Control of the Manager**" means the acquisition of, or acquisition of the right or power to exercise or control the exercise of, 75% or more of the voting securities of the Manager (whether directly or indirectly and whether by the ownership of share capital, contract or otherwise) by a person other than AMPCI or Haumi Development Limited Partnership or their Related Companies which is not remedied within 30

Business Days of the Company notifying the Manager in writing that it objects to such acquisition. No notice of objection can be given by the Company to the Manager following the expiry of 60 Business Days of the Company becoming aware of such acquisition.

(c) **No fees payable on termination by the Company**

If this Agreement is terminated by the Company under clause 12.2(a) or (b), no fees or costs will be payable by the Company to the Manager other than any accrued and unpaid fees and costs up to the Termination Date.

(d) **Alternative provision of Base Management Services**

If the Manager has committed a material breach of a material provision of this Agreement within the meaning of clause 12.2(b), the Company may arrange for some or all of the Base Management Services to be provided by an alternative manager until the Manager has remedied the material breach to the Company's reasonable satisfaction or, if the breach is not capable of remedy, taken steps to ensure it does not happen again to the Company's reasonable satisfaction. If an alternative manager is appointed under this clause 12.2(d), the fees payable to such alternative manager may be deducted from fees payable to the Manager under clause 9.

12.3 **Obligations on termination**

On the Termination Date:

(a) **Company property**

the Manager will deliver, or cause to be delivered, to the Company all property of the Company or of any other member of the Group, including all certificates, accounting records, correspondence, and all other records relating to the affairs of the Company or of any other member of the Group in the possession or under the control of the Manager or any sub-contractor of the Manager;

(b) **Authorities**

the Manager will deliver to the Company all forms of proxy, letters of authority, mandates or powers of attorney which may have been issued to it by the Company or by any other member of the Group;

(c) **No authority**

the Manager will not hold itself out as having authority to negotiate, contract or take any other action on behalf of, or as agent for, the Company or any other member of the Group; and

(d) **Resignation**

if so requested by the Company, the Manager will obtain the resignation as a director of any Group member of any person nominated by the Company or the Manager as a director of such Group member.

12.4 **Disengagement**

- (a) The Manager will provide Disengagement Services to the Company if so requested by the Company in writing following the service of a termination notice under this clause 12 or under clause 15.2. The Disengagement Services will be provided in a timely manner and to the standards required for the provision of Base Management Services

under this Agreement including without limitation clause 5.3(a) for a period until the Company is satisfied (acting reasonably) that the Base Management Services and any Additional Services being performed by the Manager have been fully transitioned to the person to assume responsibility for those services, provided that the period will not exceed six months following receipt of the Company's written request (the **Disengagement Period**).

- (b) In addition to the Disengagement Services, during the Disengagement Period the Manager will continue to supply such Base Management Services as are requested by the Company.
- (c) The Company will continue to pay the Base Management Services Fee and the Performance Fee for the Disengagement Period.
- (d) During the Disengagement Period this Agreement will remain in force and, if purportedly terminated earlier, will only terminate at the end of the Disengagement Period.

13. Indemnities

13.1 Manager

The Manager will indemnify and hold the Company or any member of the Group or their directors indemnified from and against any losses, liabilities, costs, claims, demands and expenses whatsoever suffered which are made against or incurred by the Company or any other member of the Group or any member of the Group or their directors as a result of:

- (a) material unauthorised acts of the Manager, fraud, dishonesty, gross negligence, wilful default or wilful breach of the terms of this Agreement by the Manager; or
- (b) any claim made or threatened against the Company or any member of the Group by any employee, secondee or sub-contractor engaged, or formerly engaged, by the Manager in providing Base Management Services,

except to the extent that any such losses, liabilities, costs, claims, demands and expenses were caused directly by an act or omission of the Company or any other member of the Group (other than due to any default or failure of the Manager to comply with its obligations under this Agreement).

13.2 Company

- (a) In carrying out its obligations under this Agreement, the Manager acts as agent for the Company and the other members of the Group to the extent of authorities and powers conferred under this Agreement and the Company will indemnify and hold the Manager and its directors indemnified from and against any losses, liabilities, costs, claims, demands and expenses whatsoever suffered which are made against or incurred by the Manager, its directors, employees, secondees or permitted contractors that arise as a result of the Manager carrying out its obligations under and in accordance with the terms of this Agreement, other than in the case of unauthorised acts of the Manager, fraud, dishonesty, gross negligence, wilful default or wilful breach of the terms of this Agreement by the Manager, its directors, employees, secondees or permitted contractors.
- (b) If any claims or demands are brought or threatened to be brought against the Manager in respect of which indemnification may be sought from the Company pursuant to this Agreement, the Manager is to notify the Company in writing as soon as practicable after the Manager becomes aware of such matters, and will fully consult

with the Company on the steps to be taken, if any, in defending any such action, proceeding, claim or demand.

- (c) The Manager will not admit liability in respect of all or part of, settle or compromise or consent to the entry of judgment in, or incur any costs in relation to, any pending or threatened action, proceedings, claims or demands brought or threatened against it in respect of which the Manager is, or may be, entitled to indemnification pursuant to this indemnity, without first consulting with and discussing such action with the Company or where it would be unreasonable to do so.

13.3 Reliance of Manager

The Manager shall not incur any liability, or be responsible under any indemnity, to the Company in respect of:

- (a) any action taken or thing suffered by the Manager in reasonable reliance upon any notice, resolution, direction, consent, certificate, receipt, affidavit, statement, certificate of stock, plan of reorganisation or other paper or documents reasonably believed by the Manager (as the case may be) to be genuine and to have been passed or signed by the proper parties;
- (b) any failure to perform or do any act or thing which, by reason of any Law or any decree, order or judgment of any competent court, the Manager is hindered, prevented or forbidden from so doing or performing;
- (c) any payments made by the Manager in good faith notwithstanding that it may be determined by any court or similar body that any such payment need not have been made;
- (d) any action taken or not taken by the Manager in accordance with a request or direction of the Board or the Company;
- (e) actions taken or not taken by the Manager on the opinion or advice of or a certificate obtained from any lawyer, accountant, surveyor, broker, auctioneer, banker or other expert in New Zealand or elsewhere in their field of expertise (which may not be a Related Company of the Manager) and the Manager shall not be responsible for any loss occasioned by so acting so long as the Manager has no reason to believe that the opinion or advice is not authentic and the Manager has not acted fraudulently, dishonestly, negligently, in wilful default or in wilful breach of the terms of this Agreement.

13.4 Mitigation

Each party will take reasonable steps to mitigate any claim, liabilities, costs, expenses, losses or damage sustained or incurred as a result of any act or omission (including any breach or default) of the party (regardless of whether or not covered by any indemnity).

14. Warranty

14.1 Services Warranty

The Manager represents and warrants to the Company that, as at the date of this Agreement:

- (a) the services set out in Schedule 1 of this Agreement are all the material services that are performed by the Manager in its capacity as manager of ANZO in consideration for the management fee payable by ANZO to it in accordance with clauses 22.1(a) to (d)

of the trust deed dated 13 November 1997 between AMPCI (formerly AMP Investments (N.Z.) Limited) and Perpetual Trust Limited; and

- (b) the services set out in Schedule 2 of this Agreement are services which are not provided by the Manager in its capacity as manager of ANZO in consideration for the management fee referred to in clause 14.1(a) above (although some or all of such services set out in Schedule 2 of this Agreement may be being provided by the Manager to ANZO in consideration for the payment of fees in addition to that management fee).

14.2 Remedies for breach

- (a) The only remedies for any breach of the warranty set out in clause 14.1 (the **Services Warranty**) are:
 - (i) in each case, for the relevant schedule of this Agreement to be amended so that the Services Warranty is not incorrect; and
 - (ii) where the Company has paid any person who is not a Related Company of the Company (the **Service Provider**) any fees for an Additional Service and the Manager is in breach of the Services Warranty in respect of that Additional Service, the Manager will reimburse the Company for the portion of the fee paid to the Service Provider that it would not have incurred if that Additional Service was included within the Base Management Services,

in each case subject to the limitations set out in clause 14.4 and the claims process set out in clause 14.5.

14.3 No other remedies

Other than as expressly provided under clause 14.2, a breach of the Services Warranty will not give rise to any right or remedy of the Company or any other person, including a right to cancel this Agreement or to claim for any damages or other relief for misrepresentation or breach of representation or warranty or otherwise, and no person shall have any right to bring any claim for any remedy other than as expressly provided in clause 14.2.

14.4 Limitations

- (a) Subject to clause 14.2(a)(ii), the Manager will not be liable to make any reimbursement, deduction or other payment in respect of any claim for a breach of the Services Warranty:
 - (i) unless notice of the claim for breach of that warranty is provided to the Manager in writing prior to 31 December 2012; or
 - (ii) to the extent that the Group does not suffer any actual loss or any loss is made good by the Manager.

14.5 Process for resolving any claim

- (a) All claims under this clause 14, including for a breach of a Services Warranty and for a remedy under clause 14.2 (including an adjustment to the Base Management Services Fee under clause 14.2(b)), must be resolved under this clause 14.5 and neither party is to commence any proceedings relating to any such claim. Clause 16 shall not apply to any claim subject to this clause 14.

- (b) If the Company believes that there has been a breach of the Services Warranty it must, as soon as practicable, give written notice (**Claim Notice**) to the Manager specifying the nature of the claim.
- (c) If a Claim Notice is given the Company will direct the Chairperson of the Board and the Manager will direct its Chairperson of the Manager's board of directors to use his or her reasonable endeavours to resolve the dispute within 10 Business Days (or such other time as the parties agree) from the date the claim is referred to him or her.
- (d) If a claim is not resolved in accordance with clause 14.5(c) above then the claim is to be referred to an Expert who will be appointed by agreement between the parties or, if they cannot agree, by the president for the time being of the New Zealand Institute of Chartered Accountants or his or her nominee.
- (e) The following provisions are to apply to any such Expert determination:
 - (i) each party will have the right to make submissions on the claim to the Expert and the Expert is to consider those submissions. After considering the submissions of each party, the Expert is to provide each party with his or her written opinion as to how the matter should be resolved in the circumstances;
 - (ii) not later than five Business Days after the receipt by each party of the written opinion given by the Expert under clause 14.5(e)(i), the persons to whom the matter was referred under clause 14.5(c) (or any substitute appointed by that person with his or her full authority) are to meet to:
 - (A) discuss that written opinion and the conclusions and recommendations set out in that opinion; and
 - (B) negotiate with each other in good faith in an endeavour to reach agreement on the claim;
 - (iii) if the claim is not resolved by agreement between the parties at the meeting held in accordance with clause 14.5(e)(ii), the claim is to be again referred to the Expert who is to make a binding determination in respect of the claim; and
 - (iv) in giving its opinion under clause 14.5(e)(i) and in making its binding determination under clause 14.5(e)(iii), the Expert must take into account the fees that the Company actually incurred because of the breach of the Services Warranty.
- (f) The parties agree that any such determination made by the Expert in accordance with clause 14.5(e)(iii) will be binding on each of them and that they will take all action reasonably necessary or desirable to give full effect to such determination.
- (g) Each party will bear:
 - (i) the costs and expenses that it incurs in connection with the appointment of, or any determination made by, the Expert; and
 - (ii) one half of the costs and expenses (if any) of the Expert.

14.6 Reduction of Base Management Services Fee

Any monetary compensation received by the Company as a result of any breach by the Manager of the Services Warranty is deemed to be a reversal of fees paid by the Company to a Service Provider on account of the relevant Additional Service.

15. Force Majeure

15.1 Failure to perform

If either party is prevented or delayed in the performance of any of its obligations under this Agreement by Force Majeure, that party will forthwith serve notice in writing on the other party specifying the nature and extent of the circumstances giving rise to Force Majeure, and will subject to service of such notice and to this clause 15 have no liability in respect of the performance of such of its obligations as are prevented by the Force Majeure events during the continuation of such events, and for such time after they cease as is necessary for that party, using all reasonable endeavours, to recommence its affected operations in order for it to perform its obligations.

15.2 Long term failure

If either party is prevented from performance of all or substantially all of its obligations for a continuous period in excess of two months due to Force Majeure, the other party may terminate this Agreement forthwith on service of written notice upon the party so prevented, in which case neither party will have any liability to the other except that rights and liabilities which accrued prior to such termination will continue to subsist.

15.3 Reasonable endeavours

The party claiming to be prevented or delayed in the performance of any of its obligations under this Agreement by reason of Force Majeure will use reasonable endeavours to bring the Force Majeure event to a close or to find a solution by which the Agreement may be performed despite the continuance of the Force Majeure event. Without extending this obligation to use reasonable endeavours, the Manager acknowledges that the provision of the Base Management Services to the Company and the Group is crucially important to the proper operation of the Company and the Group's business and the Manager is committed to, and will make available such resources as are necessary for, such proper operation.

16. Dispute Resolution

16.1 Dispute resolution process to apply

No party may commence any proceedings relating to any dispute between the parties (except where the party seeks urgent interlocutory relief) unless the party has taken all reasonable steps to comply with this clause 16.

16.2 Notice of dispute

If either party believes that there is a dispute between the parties concerning this Agreement, that party will give written notice to the other party setting out the details of the dispute. If a notice of dispute is given:

- (a) the Company will direct the Chairperson of the Board and the Manager will direct its Chairperson of the Manager's board of directors to use his or her reasonable endeavours to resolve the dispute within 10 Business Days (or such other time as the parties agree) from the date the dispute is referred to him or her; and
- (b) if the dispute is not resolved under clause 16.2(a), then either party may, by written notice to the other party, require that the dispute be referred to mediation. The parties will appoint a mediator agreed by the parties, or if there is no agreement, approved by the President of the New Zealand Law Society. The mediator will determine the

process and timetable for the mediation. The cost of the mediation will be shared equally between the parties.

16.3 **Manager to continue providing services**

In the event of a dispute between the parties concerning this Agreement, the Manager will continue to provide the Base Management Services and the Additional Services it was providing prior to the dispute and the Company will continue paying for the Base Management Services and those Additional Services.

17. **Notices**

17.1 **Form of notice**

Each notice or other communication under this Agreement is to be in writing, is to be made by facsimile, email, personal delivery or by post to the addressee at the facsimile number, email address or physical address, and is to be marked for the attention of the person or office holder (if any), from time to time designated for the purpose by the addressee to the other parties. The initial facsimile number, email address and physical address and relevant person or office holder of each party is set out below:

Manager:

AMP Haumi Management Limited
 Ground Floor, PricewaterhouseCoopers Tower
 113 – 119 The Terrace
 Wellington
 Facsimile: +64 4 494 2267
 Email: scott.pritchard@anzo.co.nz

Attention: Scott Pritchard

Company:

AMP NZ Office Limited
 Ground Floor, PricewaterhouseCoopers Tower
 113 – 119 The Terrace
 Wellington
 Facsimile: +64 4 494 2150
 Email: andrew.penn@ampcapital.co.nz

Attention: Andrew Penn

17.2 **Notice effective**

No communication is to be effective until received. A communication is to be deemed to be received by the addressee:

(a) **Facsimile and email**

in the case of a facsimile or email, on the Business Day on which it is sent or, if sent after 5pm (in the place of receipt) on a Business Day or, if sent on a non-Business Day, on the next Business Day after the date of sending;

(b) **Personal delivery**

in the case of personal delivery, when delivered; and

(c) **Post**

in the case of a letter, on the third Business Day after posting by fastpost or by airmail.

18. General

18.1 Waiver

Any delay, failure or forbearance by a party to exercise (in whole or in part) any right, power or remedy under, or in connection with, this Agreement will not operate as a waiver of such right, power or remedy. A waiver of any breach of any provision of this Agreement will not be effective unless that waiver is in writing and is signed by the party against whom that waiver is claimed. A waiver of any breach will not be, or be deemed to be, a waiver of any other or subsequent breach.

18.2 Assignment

- (a) A party will not be entitled to assign, transfer or otherwise dispose of any of its rights or obligations under this Agreement (other than through sub-contracting in accordance with this Agreement), except with the prior written consent of the other party, which consent will not be unreasonably withheld or delayed.
- (b) A change in control of the Manager, other than a change in control where either shareholder of the Manager on the date of this Agreement, or a Related Company of any such shareholder, acquires control of the Manager, will be deemed to be an assignment, transfer or other disposition for the purposes of this clause 18.2.
- (c) In this clause 18.2, **control** means, whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise:
 - (i) the power:
 - (A) to appoint or remove the majority of the directors of the Manager; or
 - (B) to appoint one or more directors of the Manager who is or are in a position to cast, or to control the casting of, more than one half of the maximum number of votes that might be cast at a meeting of the board of directors of the Manager; or
 - (ii) control, or the power to control, the affairs and policies of the Manager; or
 - (iii) being in a position to derive the whole or substantial part of the benefit of the existence or activities of the Manager.

18.3 Amendment

This Agreement may be amended at any time if both parties agree to do so in writing.

18.4 Severability

If any provision of this Agreement is, or becomes, unenforceable, illegal or invalid for any reason, the relevant provision will be deemed to be modified to the extent necessary to remedy such unenforceability, illegality or invalidity or if this is not possible then such provision will be severed from this Agreement, without affecting the enforceability, legality or validity of any other provision of this Agreement.

18.5 Counterparts

This Agreement may be signed in any number of counterparts all of which, when taken together, will constitute one and the same instrument. A party may enter into this Agreement by executing any counterpart.

18.6 Entire agreement

This Agreement constitutes the entire understanding and agreement of the parties relating to the subject matter of this Agreement and supersedes and extinguishes all prior agreements and understandings between the parties relating to such subject matter.

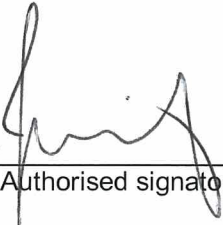
18.7 Governing law

This Agreement is governed by the laws of New Zealand and the parties submit to the non-exclusive jurisdiction of the courts of New Zealand.


Execution

Executed as an agreement.


AMP NZ Office Limited by:



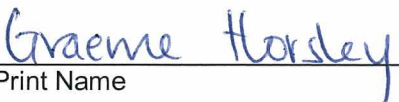
Director / Authorised signatory



Director / Authorised signatory

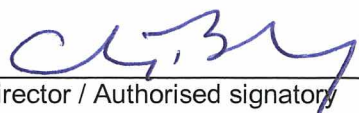


Print Name




Print Name

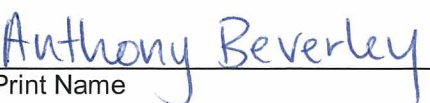
AMP Haumi Management Limited
by:




Director / Authorised signatory



Director / Authorised signatory



Print Name



Print Name

Schedule 1: Base Management Services

Corporate/Fund Management

1. Develop the corporate mission and vision, seek Board endorsement for the mission and vision, implementation;
2. Develop and implement the corporate and social responsibility policy;
3. Acting as company secretary to all members of the Group and keeping, or causing to be kept, such business and accounting records in relation to the Company and other members of the Group, the Manager and this Agreement as are required by law or otherwise necessary for the proper conduct of the affairs of the Company and any other member of the Group and the discharge of the Manager's obligations under this Agreement;
4. Maintaining and managing an annual calendar of filings and similar events for the Company;
5. Preparing and circulating notices, agendas and board papers for meetings of the Board;
6. Arranging the Company's, and other members of the Group's, shareholder meetings and giving notices of any such meeting to all shareholders in accordance with the relevant constitution, and otherwise undertaking all required shareholder communications;
7. Keeping minutes of all proceedings of all Board meetings, Board committee meetings and shareholder meetings;
8. Develop, implement and manage an investor relations programme that includes media relations, shareholder relations and other stakeholder relations, all with the endorsement of the Board;
9. Attending meetings of the Company, the Board and shareholders, whenever reasonably requested by the Board;
10. As required by the Board, providing a recommendation on the payment of dividends and interim dividends to shareholders;
11. Preparing or procuring the preparation of:
 - (a) such reports and other information and material as the Board or any sub-committee of the Board may require in connection with the annual and interim reports and audited annual and unaudited interim accounts of the Company and any other member of the Group;
 - (b) such reports and other information and material as the Board or any sub-committee of the Board may require in connection with the preparation of annual budgets, business plans and strategies of the Group; and
 - (c) any other report as may be required from time to time by the Board or any sub-committee of the Board, and the Manager will promptly after request by the Board or any sub-committee of the Board at any time provide the Company with any information the Board or the sub-committee of the Board may require in respect of the Group's operations or the performance by the Manager of its duties and obligations under this Agreement;
12. With the Board's approval, seeking external specialist assistance in the preparation of any reports or proposals for the Board which are not part of the services to be provided by the Manager under this Agreement;
13. Reporting to the Board at each meeting of the Board and otherwise when and as reasonably requested, on:

- (a) the Company's and Group's financial performance;
 - (b) past or upcoming events, actions or occurrences;
 - (c) any actual or potential threats or opportunities to or for the Company or the Group, or the Group's business, including any actual or threatened litigation (whether by or against the Company or a member of the Group) and any actual, threatened or proposed regulatory or legislative proposal or action;
 - (d) any material matters which relate to the Base Management Services;
 - (e) any matters which the Chief Executive Officer of the Manager believes should be brought to the Board's attention; and
 - (f) any other acts, matters or things which the Board reasonably requires.
14. Opening accounts with such authorised bank as the Company and other members of the Group may from time to time appoint as its bankers in the Company's name and other members of the Group's names (as the case may be), into which all moneys coming into the hands of the Manager on behalf of the Company and other members of the Group will be paid, and operating such bank accounts, authorising the making of withdrawals from such bank accounts, and signing cheques or authorising the signing of cheques drawn on such bank accounts, in accordance with any Delegated Authority given by the Board from time to time in relation to such bank accounts;
 15. As soon as practicable on receipt of any moneys received on behalf of the Company and other members of the Group, paying such moneys into a bank account held in the name of the Company and other members of the Group (as the case may be);
 16. Subject to there being sufficient funds available to the Manager in the Company's, and other members of the Group's, bank accounts, meeting all liabilities of the Company and other members of the Group in relation to this Agreement as and when such liabilities will become due and payable;
 17. Using all reasonable endeavours to collect all outstanding moneys owing by debtors of the Company and other members of the Group, and if necessary the Manager will, if required by the Board, commence litigation in the name of the Company and other members of the Group (as the case may be) which may reasonably be considered necessary for the Company and other members of the Group to collect any outstanding debts, subject to any directions which may from time to time be given to the Manager by the Board;
 18. Advising the Board on risk management matters, including reviewing and advising on insurance arrangements;
 19. Facilitating the conduct of any litigation in respect of which the Company or any other member of the Group has any interest either as plaintiff, defendant or third party subject to any directions which may from time to time be given to the Manager by the Board;
 20. Procuring and managing legal, accounting and other professional service providers engaged to assist the Group;
 21. Declaring and managing any and all conflicts of interest of the Manager or its staff consistently with all applicable laws and the provision of the Base Management Services in accordance with this Agreement;
 22. Arranging for the annual financial statements of the Company and other members of the Group to be audited by the Auditor recommended by the Board and approved by the shareholders;
 23. Preparing and file all returns and notices required to be filed by the Company and any other member of the Group under any Laws;

24. Giving to the Company and other members of the Group all such assistance as the Company and other members of the Group may reasonably require in connection with the preparation and filing of all tax returns (including GST returns) required to be filed by the Company and other members of the Group;
25. Being responsible for financial and treasury management, including:
 - (a) the negotiation and supervision of all financial indebtedness of the Company and other members of the Group that may from time to time be incurred or desired to be incurred by the Company and other members of the Group; and
 - (b) managing reporting obligations to lenders and monitoring compliance with borrowing covenants and related security arrangements;
26. Keeping comprehensive and up to date records of all transactions entered into by the Manager relating to the Base Management Services and Additional Services, and retaining copies of such records for at least such periods as are required by law or for so long as the Manager provides the Base Management Services and Additional Services until they are delivered up to the Company;
27. Preparing all reports and announcements required by the Listing Rules, and otherwise assisting the Company to comply with the Listing Rules;
28. Ensuring compliance by the Company and any other members of the Group with all relevant Laws, including the Companies Act 1993, Securities Act 1978, Financial Reporting Act 1993, Privacy Act 1993, Resource Management Act 1991, Health and Safety in Employment Act 1992 and the Building Act 1991;
29. Liaising with the Company's share registrar to ensure that the register of shareholders is adequately maintained;
30. Arranging with the share registrar to pay any dividends or interim dividends declared by the Board;
31. Facilitating the protection, management and marketing of the Company's brand and any Marks with a view to optimising their value.

Capital Management

32. Investment Policy
 - (a) Develop and monitor investment policies;
 - (b) Engage with the Board and seek the Board's endorsement of investment policies;
 - (c) Translate the investment policies into strategies; and
 - (d) Implement the strategies.
33. Develop an optimal capital structure for the Company for Board endorsement. Implement, manage and periodically review the Company's capital structure.

Research

34. Capital markets
 - (a) Identify and monitor capital funding options and their associated cost of capital;
 - (b) Monitor the supply and demand of capital;
 - (c) Monitor macro and micro economic influences on the supply, demand and cost of capital; and

- (d) Monitor competitor activity.

35. Property markets

- (a) Monitor market capital values and yields;
- (b) Monitor the supply of and demand for competitive investment property;
- (c) Monitor market rents (including net and gross, face rents and net effective rents) and leasing incentives;
- (d) Monitor property divestment and acquisition activity;
- (e) Monitor property development and construction trends and activity including resource consent applications;
- (f) Monitor lease structures, including terms and conditions of leases;
- (g) Monitor the supply and demand of vacant space and sublease space; and
- (h) Monitor sustainability and environmental trends, including national sustainability rating models and activity.

36. Property occupiers

- (a) Identify tenant trends and monitor movements in those trends and other tenant activity in the market.

37. Property services

- (a) Monitor the market for suppliers of Additional Services and other property-related services required by the Company from time-to-time; and
- (b) Monitor strategic sourcing models assessing strengths and weaknesses and their potential application to the Company.

Portfolio and Asset Management Services

38. Portfolio Optimisation

- (a) Identify portfolio investment, divestment, development and refurbishment opportunities;
- (b) Carry out feasibility studies of the above opportunities;
- (c) Prepare and submit proposals regarding feasible opportunities to the Board for formal approval;
- (d) If approved, manage the implementation of the proposal including, where necessary, engaging outside advisors and agents, and ensuring compliance with corporate governance; and
- (e) Manage the transition of properties acquired into or disposed from the portfolio.

39. Portfolio Management

- (a) Develop portfolio management and operational strategies and translate the strategies into business plans;
- (b) Determine the most appropriate strategic sourcing models for services that support the operation of the portfolio;

- (c) Optimise portfolio revenue, determine an appropriate level of operating cost and optimise portfolio value;
- (d) Obtain Board approval for operational commitments that exceed budgeted costs or Delegated Authorities; and
- (e) Determine the portfolio's capital requirements and strategy, including:
 - (i) Tenant leasing incentives;
 - (ii) Tenancy improvement (space refurbishment); and
 - (iii) Other capital works projects.

40. Portfolio Performance

- (a) Develop and monitor portfolio performance metrics and targets, including a minimum of:
 - (i) Weighted Average Lease Term;
 - (ii) Proportion of occupied verses vacant space;
 - (iii) Interest coverage ratio;
 - (iv) Leverage ratio; and
 - (v) Other metrics that assist in the delivery of optimal portfolio performance.

41. Budgeting

- (a) Prepare an annual budget for the Company and present the budget to the Board for approval (the approved budget being the **Annual Budget**). The Annual Budget must provide details relating to each property, and in respect of each property must include details of:
 - (i) Income (rental revenue, building operating expense recoveries, other revenue);
 - (ii) Expenses (property operating costs, outgoings and other expenses); and
 - (iii) Capital expenditure,each obtained by the Manager as an Additional Service.

42. Monitoring and Reporting

- (a) Prepare reports for presentation at each scheduled Board Meeting. Each report must include, as a minimum, the following information:
 - (i) Comparisons between budgeted, actual year-to-date and year end forecast financial information;
 - (ii) Operational successes, challenges, failures and emerging issues;
 - (iii) Property market activity;
 - (iv) Risks, including identification of all risks, risk status level and management mitigation plans;

- (v) Identification and assessment of financial opportunities external to budget assumptions;
- (vi) Portfolio valuation as carried out pursuant to the relevant regulations and Company policies; and
- (vii) Level of compliance with applicable regulations and legislation.

43. Portfolio Valuation Services

- (a) Monitor the market value of the portfolio;
- (b) Determine strategies to optimise portfolio value;
- (c) Engage appropriately qualified and indemnified external expert valuers to value the portfolio; and
- (d) Schedule and manage the delivery of independent market valuation reports and reinstatement cost valuation reports for insurance purposes.

44. Legislation and Regulation

- (a) Ensure the portfolio complies with all relevant regulations and legislation;
- (b) Ensure that a process of compliance certification is in continual operation from the Property and Facilities Management to Portfolio Management level, including Board reporting;
- (c) Undertake compliance audits of outsourced service providers; and
- (d) Monitor and assess proposed changes in legislation and regulation, advocate a position that protects the Company's interests and ensure that the portfolio is adapted to accommodate any regulatory and legislative changes made.

45. Relationship Management

- (a) Develop relationship strategies with customers (Tenants), suppliers and service providers, industry bodies, competitors and regulatory authorities;
- (b) Lead and implement the strategies and ensure that external service providers complement the strategies;
- (c) Resolve disputes that arise between the Company and the parties in (a) above; and
- (d) Develop and implement tenant feedback surveys.

46. Asset Management Plans and Implementation

- (a) Manage the preparation of annual asset-by-asset management plans that translate portfolio strategies to delivery programmes with close engagement of, and support from, Property managers;
- (b) To the extent practicable, optimise each asset's revenue, determine an appropriate level of operating cost and optimise asset value;
- (c) Manage, schedule and govern the deployment of capital (leasing incentives, tenancy improvement, capital works projects) including procuring advisors and project managers or the Manager to implement and deliver project management (which is an Additional Service);

- (d) Develop and implement lease event strategies, including strategies relating to :
 - (i) Rent reviews;
 - (ii) Renewals;
 - (iii) Lease extensions; and
 - (iv) Other applicable lease events;
- (e) Develop and implement vacant space leasing strategies, revenue strategies and marketing strategies at the asset level and procure advisors and agents, or the Manager, to implement and deliver leasing of vacant space (which is an Additional Service);
- (f) Develop and implement sustainability initiatives, including initiatives relating to building infrastructure projects and capital works programmes; and
- (g) Implement and manage asset governance policies to ensure that asset performance meets required portfolio metrics / targets.

47. Market Activity

- (a) External resource consent applications – protect the interests of the Company, including questioning and challenging external applications where appropriate;

48. Portfolio and Property Legal Documentation

- (a) Develop and managed processes for the execution of transactions (including the execution of documents) approved by the Board;
- (b) Develop legal document precedents for application throughout the portfolio, manage their implementation and monitor to ensure they are current (and updating them when necessary); and
- (c) Ensure that proper systems of document filing, filing management and guardianship of documents are in place.

49. Sustainability and the Environment

- (a) Support the Corporate Social Responsibility (**CSR**) strategy through developing appropriate sustainability strategies and environmental policies;
- (b) Use the strategies and policies to develop feasible programmes of projects for incorporation into Asset Management Plans; and
- (c) Develop and implement a CSR communication plan.

Schedule 2: Additional Services

The following services are Additional Services:

Part A – Property and Facilities Management

1. Existing Property-Document Management – Leases, Licences, Variations, Landlord Consents and Other Relevant Documents
 - (a) Document compliance – ensure compliance with obligations under documents, communication and management and enforcement;
 - (b) Ensure that lease or licence documentation accurately reflects the relationship agreed between the landlord and tenant (or licensor and licensee);
 - (c) Identify and monitor lease events and critical dates and inform tenants and the Manager where necessary. These events and dates include those relating to:
 - (i) Lease expiries;
 - (ii) Tenant and landlord break rights, including notice requirements;
 - (iii) Lease renewals, including assessing feasibility of commercial terms, negotiation of terms including potential variation of existing leases, securing terms through heads of agreement, instruction and programme management of solicitors in the preparation of final deeds;
 - (iv) Rent reviews including the assessment of market rents and range of risk and opportunity, preparation and service of formal Landlord notices, instruction and programme management of independent market valuations, negotiation, instigating and leading third party determination processes (if required and subject to the approval of the Manager), securing terms through heads of agreement, instruction and programme management of solicitors in the preparation of final deeds and to support arbitration processes (if required and approved by the Manager);
 - (v) Tenant expansion and contraction rights including notice requirements;
 - (vi) Guarantees, warrantees, bank bonds; and
 - (vii) Other Landlord and tenant obligations that create commercial impact.
2. New Property Documents
 - (a) Negotiate commercial property agreements;
 - (b) Obtain the Manager's formal approval;
 - (c) Prepare heads of terms, agreement to lease, leases, licences, variations, landlord consents, rent review deeds and other relevant documents to accurately reflect agreements between the landlord and tenant / third parties, in conjunction with the Manager's appointed solicitor(s);
 - (d) Process tenant applications for assignment or sublease;
 - (e) Process tenant applications for landlord consent to tenant fit-out works and alterations;
 - (f) Process document execution in conjunction with the Manager's appointed solicitor(s);

- (g) Support filing and administration; and
 - (h) Support template document review and ongoing modernisation in conjunction with the Manager's appointed solicitor(s).
3. Information Management and Reporting
- (a) Keep records of, and manage, all property management information relevant to the portfolio;
 - (b) Extrapolate all key information from property documents and alternate (critical) building information sources;
 - (c) Maintain accurate and complete property management information systems;
 - (d) Ensure that property information systems are maintained (and updated where necessary) to accurately reflect changes in any property document terms;
 - (e) Ensure that data and system access is in line with the Manager's requirements;
 - (f) Ensure that data and system security is in line with the Manager's requirements;
 - (g) Provide information management back-up and disaster recovery plan in line with the Manager's requirements;
 - (h) Produce accurate monthly and annual property management reports for each property;
 - (i) Provide building information to third parties who are acting on behalf of the Manager (with the Manager's consent); and
 - (j) Maintain building specifications, plans, drawings and log books for all building services.
4. Statutory and Regulatory Compliance
- (a) Ensure that each property complies with occupational health and safety requirements and policies;
 - (b) Ensure that each property complies with other relevant legislation and regulations, including, but not limited to the Property Law Act 2007, Building Act 2004, Resource Management Act 1991, fire requirements, environmental requirements, by-laws and insurance requirements;
 - (c) In conjunction with the Manager's solicitor(s), advise on proposed changes in legislation or regulation and their impact on property management services, landlord and tenant rights and obligations;
 - (d) Complete annual building environmental audits;
 - (e) Ensure certification of all building essential services;
 - (f) Ensure building warrants of fitness are delivered on critical compliance dates;
 - (g) Carry out incident management in conjunction with the Manager and pursuant to the instructions of the Company's Insurers;
 - (h) Ensure that quarterly compliance certifications are delivered to the Manager;

- (i) Identify any non-compliance by a tenant or other building occupant and carry out enforcement action necessary to rectify the non-compliance; and
 - (j) Support the Manager's audit or quality assurance processes.
5. Tenant Relationship, Management, Liaison by the Property and Facilities Manager(s)
- (a) Support the Manager's tenant relationship strategies;
 - (b) Carry out proactive and ongoing tenant communication, including meeting with tenants on a monthly basis, and obtaining tenant feedback; and
 - (c) Resolve all tenancy issues at the earliest possible stage.
6. Rental Revenue and Operating Expense Collection and Accounting
- (a) Collect rental payments from tenants/occupants and recover rental and building operating expenses pursuant to lease documentation; and
 - (b) Ensure that the receipt of revenue and building operating expenses are accurately allocated to the relevant individual tenancy income accounts.
7. Arrears Management, Reporting and Recovery
- (a) Prepare monthly reports complementing property management reports;
 - (b) Prepare reports relating to rental and building operating expense arrears at tenancy and portfolio levels;
 - (c) Advise on arrears recovery options in conjunction with the Manager's appointed solicitor(s); and
 - (d) Develop and, subject to the manager's approval, implement an arrears recovery strategy.
8. Building Operating Expense Management and Accounting
- (a) Prepare an annual outgoings budget for each property;
 - (b) Apportion the budget of each property among tenants in line with best industry practice and lease agreements;
 - (c) Prepare an annual reconciliation of budgeted outgoings compared with actual costs incurred;
 - (d) Prepare final statements for tenants and management of independent auditors, deliver the final audited statements to tenants together with relevant invoices or credit notes / refunds; and
 - (e) Record tenant under/overpayments by use of accrual accounting.
9. Tenancy Commencement Management
- (a) Negotiate terms and conditions of tenant fit-outs and prepare the necessary documentation to record those terms and conditions;
 - (b) Obtain, and hold for safe keeping, accurate "as-built" fit-out plans;

- (c) Ensure the payment of tenant incentives in line with agreed terms;
- (d) Facilitate and monitor access to premises prior to and at lease commencement; and
- (e) Organise building induction programmes for tenants.

10. Tenancy Termination and Expiry Management

- (a) Develop and implement tenancy make-good negotiation strategies to achieve agreement and settlement;
- (b) Ensure tenants comply with other lease exit obligations;
- (c) Ensure that all premises keys and security passes are returned upon the expiry or termination of a lease; and
- (d) Attend to all matters relating to abandoned tenant assets.

11. Building Operational Management, Safety and Security

- (a) Manage all physical and operational aspects of the properties including dealing with any issues that arise;
- (b) Develop and implement preventative (routine) maintenance strategies, including obtaining Manager approval and communications with tenants;
- (c) Be responsible for emergency maintenance management;
- (d) Being responsible for building safety and security, including access and key/access card management;
- (e) Implement and manage buildings' concierge services;
- (f) Manage communication and relationships with emergency services;
- (g) Maintain records of after-hours air conditioning and cost recovery;
- (h) Carry out building safety audits; and
- (i) Arrange and control building security services as considered appropriate to the extent that any property shall be kept in a proper and secure manner at all reasonable times.

12. Capital Projects

- (a) Recommend individual capital projects on a building-by-building basis to support the Company's capital strategy;
- (b) Obtain the Manager's approvals, determine project programmes and develop tenant communication plans;
- (c) Support project implementation; and
- (d) Ensure that project teams comply with Occupational Safety and Health policies of the relevant building.

13. Sub-Contractor Procurement and Supplier Management

- (a) Develop and implement procurement strategies, including negotiating service contracts and service level agreements and the execution and implementation of the necessary documents;
- (b) Manage service contract documentation;
- (c) Arrange building inductions as required;
- (d) Manage supplier relationships and obtain tenants' feedback on suppliers;
- (e) Develop dispute management strategies, including provisions for negotiation, mediation and escalation; and
- (f) Ensure timely supplier invoice vetting, processing and payment.

14. Help Desk Facility

- (a) Establish and maintain a contact centre with a toll free contact number, with and operators available at all times;
- (b) Provide details of the contact centre to all tenants;
- (c) Implement a system to track and co-ordinate all tenant enquiries; and
- (d) Develop a reporting system which enables the analysis of call centre enquiries to analyse the Company's performance in resolving issues, including analysis of the type of enquiry made and the maintenance issues involved.

15. Sustainability and Building Services

- (a) Develop and implement energy management initiatives;
- (b) Develop and implement water management initiatives;
- (c) Develop and implement waste management initiatives;
- (d) Develop and implement indoor environmental quality management initiatives;
- (e) Develop and implement other sustainability initiatives;
- (f) Support the tenant communication strategy including 360 degree feedback; and
- (g) Develop and implement sustainability rating initiatives of each building.

16. Energy Procurement and Retailing

- (a) Organise energy procurement, including the tendering and negotiation of supply and tariff agreements in accordance with portfolio management strategies;
- (b) Carry out ongoing energy consumption analysis;
- (c) Carry out energy invoicing analysis, including reconciliation, processing and payment;
- (d) Implement metering strategies for each building; and

- (e) Implement the EIRA exemption where appropriate.

17. Budget Preparation, Monitoring, Management

- (a) Provide property budget input and participation as directed by the Manager;
- (b) Prepare an annual building-by-building operating expense budget;
- (c) Prepare an annual building-by-building non-recoverable expense budget;
- (d) Prepare an annual building-by-building capital projects budget;
- (e) Assist in preparing lease incentives budgets;
- (f) Assist, where necessary, the Manager's budgeting and business planning processes and programme;
- (g) Prepare quarterly forecasting of the year end position;
- (h) Carry out variance analysis and provide the necessary explanations;
- (i) Reporting;
- (j) Be proactive in budget management and ensure that Business Plan targets are achieved; and
- (k) Identify budget risks and opportunities.

18. Risk Management

- (a) Establish processes that effectively manage buildings' operational risk, financial risk and the reputational risk of the Company;
- (b) Ensure a robust and proactive risk management culture is enshrined in all staff and sub-contractors;
- (c) Carry out risk identification, material impact assessment, evaluation of chance of occurrence, mitigation strategy and provide this information to the Manager;
- (d) Implement a risk audit programme; and
- (e) Monitoring of property management matters on tenants' business risk including close and proactive tenant communication and cooperation.

19. Crisis Management

- (a) Ensure seamless and effective management of all crises ensuring the best-possible recovery;
- (b) Develop robust and effective disaster recovery plans that can be translated into a form that is easily understood by all customers (including tenants);
- (c) Carry out frequent reviews of the plans and ensure that the plans are communicated to tenants; and
- (d) Organise planned disaster recovery exercises to test plans.

20. Develop and implement a buildings inspection programme for the purposes of maintenance assessments, cleanliness and physical lease compliance by tenants.

21. Supervise the administration of invoices, including vetting supplier invoices, coding invoices, querying invoices where necessary and arranging for payment of invoices.

22. Vacant Space

- (a) Support refurbishment strategies and project delivery;
- (b) Support marketing and agency strategies and implementation;
- (c) Provide building information to support leasing proposals;
- (d) Facilitate access to agents, consultants and prospective tenants; and
- (e) Manage operating costs.

23. Building Inventory Management - manage stocks of carpet, glass, ceiling tiles and other building component spares owned by the Company.

24. Accounting Procedures and Reporting (components mentioned above)

- (a) Be responsible for bank account management and reconciliations;
- (b) Ensure that accounts reporting is compliant with IFRS, GAAP or other standards required by the Manager;
- (c) Ensure the timely revenue remittance to the Company;
- (d) Ensure the timely request of funds remittance from the Company to ensure payment of the Company's obligations; and
- (e) Prepare monthly and annual reports to complement property management reports.

Part B. Leasing of Vacant Space

Part C. Development Management

Part D. Project Management and Delivery

Part E. Property Acquisition and Divestment

Schedule 3: Agreed Fees for Certain Additional Services

1. Leasing

- (a) A minimum fee of \$2,500 per Lease.
- (b) For Leases with an annual rental of less than \$100,000, a fee equivalent to two months rental.
- (c) For Leases with a term of less than three years, 12% of the annual rental.
- (d) For Leases with a three year term, 13% of the annual rental.
- (e) For Leases with a term exceeding three years, 13% of the annual rental plus 1% for each year or part thereof over three years, up to a maximum of 20% of the annual rental.
- (f) Incentive fees ranging from 150% to 300% of the standard scale referred to above, with 200% being the standard outcome. Incentive fees will only be payable where it is clear that competing market leasing opportunities include incentive fees.

2. Lease Renewals

A fee of 50% to 100% of the leasing fee for new Leases.

3. Rent Reviews

- (a) Where the rent does not increase because of a ratchet clause, an administration fee of \$1,000 will only be payable at Board discretion.
- (b) Open market (unratcheted) reviews: 3% of the annual gross rental or 10% of the rental increase achieved.

4. Lease Surrenders

10% of the surrender payment.

5. Acquisition and Sale of Properties

- (a) A fee of 1% of the purchase price or other consideration to be provided by the purchaser.
- (b) A reasonable cost recovery fee on unsuccessful acquisitions based on "time in attendance" using a reasonable hourly rate and capped at \$40,000 per acquisition.

6. Development Management

A fee of 2.5% of the total development cost excluding land cost, incentives, marketing, and finance costs.

7. Project Management

A fee between 1.75% and 6.0% of project costs (excluding project costs not controlled or managed by the project manager) depending on the scale of the project.

8. Property and Facilities Management

A fixed fee negotiated between the Company and the Manager on arms length.

The pricing process must use a building by building pricing matrix on a competitive tender basis between two suppliers which takes into account the varying complexity and commitment required to execute property and facilities management services.

9. Other Services

Fees for other services are to be negotiated at the time between the Company and the Manager with supporting market evidence to be provided.

Notes:

For the purposes of this Schedule 3:

1. where a fee is calculated on the rental payable under a Lease, the rental in question is the "gross" rental and accordingly the annual outgoings payable by the tenant are included in the calculation;
2. for new Leases, Renewals and Rent Reviews, where an external agent is engaged, a fee can still be charged by the Manager for the difference between the fee calculated on the basis of the above fee scale and the external agent's fee; and
3. all of the prices referred to in this Schedule are exclusive of GST and accordingly GST must be added.

Schedule 4: Illustrative Example of Management Fees

All examples are completed on a quarterly basis

Example 1

Shareholders Return exceeds the Benchmark Return but does not exceed Cap

Assumptions

Opening five-day VWAP (Opening Price)	\$0.70
Closing five-day VWAP	\$0.75
Gross Dividend (the ex-date is the last day of the Quarter)	\$0.0175
Weighted average number of shares on issue	997,718,478
Shareholder Return for Quarter (inaccordance with Clause 9.4(e))	9.64%
Benchmark Return (NZX Property Index excluding Company Return)	9.00%
Outperformance (Shareholder Return minus Benchmark Return)	0.64%
Initial Amount/(Deficit) (Outperformance x weighted average number of shares on issue x opening price x 10%)	\$446,978
Opening Carrying Account	\$0
Closing Carrying Account	\$0
Cap (1.25% x Weighted Average Number of Shares on Issue x Opening VWAP x 10%)	\$873,004

Performance Fee for Quarter

\$446,978

Example 2

Shareholders Return exceeds the Benchmark Return and the Cap

Assumptions

Opening five-day VWAP (Opening Price)	\$0.70
Closing five-day VWAP	\$0.75
Gross Dividend (the ex-date is the last day of the Quarter)	\$0.0175
Weighted average number of shares on issue	997,718,478
Shareholder Return for Quarter (inaccordance with Clause 9.4(e))	9.64%
Benchmark Return (NZX Property Index excluding Company Return)	5.00%
Outperformance (Shareholder Return minus Benchmark Return)	4.64%
Initial Amount/(Deficit) (Outperformance x weighted average number of shares on issue x opening price x 10%)	\$3,240,590
Opening Carrying Account	\$0
Closing Carrying Account	\$2,367,586
Cap (1.25% x Weighted Average Number of Shares on Issue x Opening VWAP x 10%)	\$873,004

Performance Fee for Quarter

\$873,004

Example 3
Shareholders Return below Benchmark Return

Assumptions

Opening five-day VWAP (Opening Price)	\$0.70
Closing five-day VWAP	\$0.75
Gross Dividend (the ex-date is the last day of the Quarter)	\$0.0175

Weighted average number of shares on issue 997,718,478

Shareholder Return for Quarter (inaccordance with Clause 9.4(e))	9.64%
Benchmark Return (NZX Property Index excluding Company Return)	15.00%
Outperformance (Shareholder Return minus Benchmark Return)	-5.36%

Initial Amount/(Deficit) (Outperformance x weighted average number of shares on issue x opening price x 10%)	-\$3,743,440
Opening Carrying Account	\$0
Closing Carrying Account	-\$3,743,440
Cap (1.25% x Weighted Average Number of Shares on Issue x Opening VWAP x 10%)	\$873,004

Performance Fee for Quarter

\$0

(No Fee is payable to the manager as the Shareholder Return is below the Benchmark Return. The Deficit amount is carried forward.)

Example 4
Shareholders Return exceeds the Benchmark Return and the Cap. The closing Carrying Account from Example 3 is the opening Carrying Account for Example 4

Assumptions

Opening five-day VWAP (Opening Price)	\$0.70
Closing five-day VWAP	\$0.75
Gross Dividend (the ex-date is the last day of the Quarter)	\$0.0175

Weighted average number of shares on issue 997,718,478

Shareholder Return for Quarter (inaccordance with Clause 9.4(e))	9.64%
Benchmark Return (NZX Property Index excluding Company Return)	5.00%
Outperformance (Shareholder Return minus Benchmark Return)	4.64%

Initial Amount/(Deficit) (Outperformance x weighted average number of shares on issue x opening price x 10%)	\$3,240,590
Opening Carrying Account	-\$3,743,440
Closing Carrying Account	-\$502,850
Cap (1.25% x Weighted Average Number of Shares on Issue x Opening VWAP x 10%)	\$873,004

Performance Fee for Quarter

\$0

(No fee is payable to the manager as the Initial amount is required to be first offset against the previous quarters Deficit.)

Example 5

Shareholders Return exceeds the Benchmark Return and the Cap but the absolute value of the Shareholder Return is negative

Assumptions

Opening five-day VWAP (Opening Price)	\$0.70
Closing five-day VWAP	\$0.65
Gross Dividend (the ex-date is the last day of the Quarter)	\$0.0175
Weighted average number of shares on issue	997,718,478
Shareholder Return for Quarter (in accordance with Clause 9.4(e))	-4.64%
Benchmark Return (NZX Property Index excluding Company Return)	-10.00%
Outperformance (Shareholder Return minus Benchmark Return)	5.36%
Initial Amount/(Deficit) (Outperformance x weighted average number of shares on issue x opening price x 10%)	\$3,743,440
Opening Carrying Account	\$0
Closing Carrying Account	\$3,743,440
Cap (1.25% x Weighted Average Number of Shares on Issue x Opening VWAP x 10%)	\$873,004

Performance Fee for Quarter

(Whilst there is positive Outperformance, no Performance Fee is payable as the absolute Shareholder Return is negative. The Initial Amount is carried forward.)

\$0