

# Management Agreement

Centuria NZ Healthcare Property Fund Limited  
(Centuria Healthcare)

Centuria Funds Management (NZ) Limited  
(the Manager)



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## MANAGEMENT AGREEMENT

*Date:* 1 March 2022

### PARTIES

**Centuria NZ Healthcare Property Fund Limited** a duly incorporated company having its registered office at Level 2, 30 Gaunt Street, Wynyard Quarter, Auckland (*Centuria Healthcare*)

**Centuria Funds Management (NZ) Limited** a duly incorporated company having its registered office at Level 2, 30 Gaunt Street, Wynyard Quarter, Auckland (*the Manager*)

### BACKGROUND

- A The Manager has established Centuria Healthcare to:
- A.1 initially acquire, own and develop (where appropriate) 25 properties located throughout New Zealand;
  - A.2 grow a portfolio of properties intended to be occupied by tenants operating in the health and aged care industry through further property acquisitions; and
  - A.3 provide returns to investors in Centuria Healthcare,
- in each case, as further set out, and subject to the terms of the Product Disclosure Statement for the offer of Shares, prepared by Centuria Healthcare and dated on or about the date of this Agreement.
- B Centuria Healthcare wishes to appoint the Manager as manager of Centuria Healthcare to provide the Group with ongoing investment management, asset management, advisory and general administrative services on the terms detailed in this Agreement, and the Manager wishes to accept that appointment.

**THE PARTIES AGREE** as follows:

## 1 DEFINITIONS AND CONSTRUCTION

### 1.1 Defined terms

In this agreement, unless the context requires otherwise:

*Agreement* means this agreement and includes the schedules to this agreement, and any amendments made from time to time;

*Allotment Date* means the allotment date for the Shares offered in the Product Disclosure Statement;

*Board* means the board of directors, for the time being, of Centuria Healthcare;

*Business Day* means any day on which registered banks are open for business in both Auckland and Wellington;



*Business Records* means all documents, agreements, accounting records, correspondence, software, systems, financial models and all other papers and records relating to the business, operations and affairs of Centuria Healthcare and the Properties (or one or more of them as the case may be);

*Centuria Healthcare* means Centuria NZ Healthcare Property Fund Limited;

*Cost of Works* means any and all costs incurred by Centuria Healthcare in relation to a Development, other than:

- (a) the purchase price paid for any Property acquired in connection with the Development;
- (b) any funding costs for the Development; and
- (c) any other fees payable to the Manager in connection with the Development;

*Claim* includes a claim, notice, demand, action, proceeding, litigation, investigation, judgment, award, damage, loss, cost, expense or liability however arising, whether present, unascertained, immediate, future or contingent, whether based in contract, tort (including negligence), equity, statute or otherwise;

*Commencement Date* means the date of this Agreement;

*Confidential Information* means all commercial, financial and technical information and know-how (whether in written, documentary or other recorded or tangible form) which is supplied to, communicated to, or derived by the Manager at any time relating to Centuria Healthcare's undertaking, activities, business environment or prospects and which at the time it is supplied to, communicated to or derived by the Manager is not publicly known or available by reason of general publication or public knowledge but does not include:

- (a) information which at the time it is supplied to, communicated to or derived by the Manager was already in the Manager's possession and was not acquired by the Manager in the course of or incidentally to the performance by the Manager of its duties under this Agreement;
- (b) information which has reached the public domain otherwise than as a result of a breach by the Manager, or any person for whom the Manager is responsible, of the Manager's obligations under clause 18; or
- (c) information which has been or subsequently is acquired or developed by the Manager without violating any of its obligations under clause 18 and without the use of any Confidential Information;

*Constitution* means the constitution of Centuria Healthcare;

*CPI* means the Consumer Price Index for all groups published by Statistics New Zealand (or any successor organisation). If that index is fundamentally changed then CPI will mean a reasonably equivalent replacement index as may be determined by the Manager;



*Development* means any refurbishment, rebranding, extension, redevelopment or other work of a capital nature in respect of all or part of any Property;

*Delegated Authorities Policy* means the policy under which certain authorities are delegated by the Board to the Manager, as agreed in writing between the Board and the Manager from time to time;

*Disengagement Services* means the services set out in Schedule 4;

*Fees* means the fees payable by Centuria Healthcare to the Manager in accordance with clause 10;

*GAAP* means generally accepted accounting practice in New Zealand as defined in section 8 of the Financial Reporting Act 2013, including the New Zealand equivalents to International Financial Reporting Standards;

*Group* means Centuria Healthcare and all subsidiaries of Centuria Healthcare;

*GST* means goods and services tax charged under the GST Act;

*GST Act* means the Goods and Services Tax Act 1985;

*including* and similar words do not imply any limitation;

*Initial Properties* means those properties listed in Schedule 6;

*Lease* means any tenancy, lease, licence to occupy or other right of occupation in relation to the whole or any part of the Properties where a member of the Group is the landlord, licensor or grantor;

*Lessee* means any tenant, lessee, licensee or occupier under any Lease;

*Management Duties* means the duties imposed on the Manager and referred to in clause 4.1;

*Management Fee* means the fee payable by Centuria Healthcare to the Manager pursuant to clauses 10.3 and 10.4;

*Outgoings* means the costs of operating each Property such as maintenance, repairs, cleaning and utility charges, insurance, rates and taxes including those payable by a Lessee under its respective Lease;

*Performance Fee* means the performance fee payable by Centuria Healthcare, calculated in accordance with clause 10.6;

*Product Disclosure Statement* means the initial product disclosure statement for the offer of Shares, prepared by Centuria Healthcare, and dated on or about the date of this Agreement, as described in Background A;

*Properties* means:

- (a) the Initial Properties; and



- (b) any other direct property that Centuria Healthcare or a subsidiary of Centuria Healthcare may acquire from time to time,

and *Property* means any of the Properties.

*Related Company* means, in relation to a person, a company which is related to that person within the meaning of section 2(3) of the Companies Act 1993 (read as if the expression "company" in that section included any body corporate wherever incorporated or established);

*Related Parties* has the meaning set out in section 6 of the Financial Markets Conduct Act 2013; and *Related Party* means any one of the Related Parties;

*Rent* means all income derived from a Property (excluding GST) including rent, turnover rent, premiums, licence fees, fees for naming or signage rights, Outgoings and any expense recovery derived from the use or occupation of the Properties including any car parks whether paid or calculated or payable (but excluding any management fee paid by a Lessee as an operating expense under a Lease);

*Settlement Date* means the date on which a Property is sold or acquired (as applicable) by Centuria Healthcare;

*Share* means an ordinary share in Centuria Healthcare;

*Special Resolution* means a resolution approved by a majority of 75% of the votes of those holders of Shares entitled to vote and voting on the question;

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

*Termination Fee* means an amount equal to 30% of the aggregate of the Fees for the immediately preceding five years before the Termination Date, plus GST;

*Wind-Up Event* means settlement of any sale of the Properties occurring and any of the following events occurs:

- (a) Centuria Healthcare voluntarily going into receivership or having a receiver, trustee, statutory manager, interim liquidator, liquidator or administrator appointed in respect of all or a substantial part of its assets;
- (b) Centuria Healthcare making or proposing to make an assignment for the benefit of, or entering into or making any arrangement or composition with, its creditors;
- (c) any event, matter, proposal or circumstance occurring in relation to Centuria Healthcare that has a substantially similar effect to any of events, matters or circumstances set out in (a) to (b) above; or
- (d) any resolution being passed, or any proceeding being commenced, for the liquidation, dissolution, de-registration, administration, winding up of Centuria Healthcare or any analogous procedure under the law of any jurisdiction in



which Centuria Healthcare is incorporated, carries on business or has property (on a voluntary basis); and

*Year* means the twelve month period ending on 31 March in each calendar year provided that the first Year is to be the period beginning on the date of incorporation of Centuria Healthcare and ending on 31 March 2023.

## 1.2 **Interpretation**

In this Agreement, unless the context otherwise requires:

- (a) headings are inserted for convenience only and shall be ignored in construing this Agreement;
- (b) the singular includes the plural and vice versa;
- (c) references to a person include an individual, body corporate, an association of persons (whether corporate or not), a trust and a state and agency of a state (in each case, whether or not having separate legal personality and whether incorporated or existing in New Zealand or elsewhere);
- (d) reference to any document includes reference to that document (and, where applicable, any of its provisions) as amended, novated, supplemented or replaced from time to time;
- (e) references to sections, clauses and schedules are references to sections, clauses and schedules in this Agreement unless otherwise stated;
- (f) references to monetary amounts, money or money's worth are to New Zealand dollars unless otherwise stated; and
- (g) reference to *month* or *monthly* shall mean, respectively, calendar month or calendar monthly.

## 2 **APPOINTMENT**

### 2.1 **Appointment**

Centuria Healthcare appoints the Manager as the sole and exclusive manager of the Group in accordance with the terms and conditions of this Agreement. Centuria Healthcare will procure that each member of the Group will comply with the terms and conditions of this Agreement that apply to Centuria Healthcare as if each such member were a party to this Agreement.

### 2.2 **No other appointments by Centuria Healthcare**

- (a) During the term of this Agreement, Centuria Healthcare will not itself provide nor appoint any other person to provide any of the services to be provided by the Manager under this Agreement and will procure that no other member of the Group does so.
- (b) For the avoidance of doubt, nothing in this Agreement restricts the ability of the Board or Centuria Healthcare to seek independent advice or appoint its own advisors from time to time.



### 2.3 **Acceptance**

The Manager accepts the appointment and agrees to carry out the duties on its part set out in this Agreement.

### 2.4 **Sub-contractors**

The Manager may act by and through any of its employees (including any employee of a Related Company of the Manager) or sub-contractors at its sole discretion. No such subcontracts will relieve the Manager from its responsibility to deliver and perform the duties under this Agreement. It will be the Manager's responsibility to ensure any subcontractors comply with the terms and conditions of this Agreement.

## 3 **TERM**

Subject to clause 7, the term of the appointment of the Manager is until Centuria Healthcare is removed from the Register of Companies in accordance with the Constitution and the Companies Act 1993.

## 4 **MANAGEMENT DUTIES**

### 4.1 **Duties of Manager**

The Manager will perform and owes the following management duties to Centuria Healthcare:

- (a) investment management duties, as set out in Schedule 1;
- (b) asset management duties, as set out in Schedule 2;
- (c) administrative management duties, as set out in Schedule 3; and
- (d) such other duties as the Board may reasonably require from time to time.

### 4.2 **Discharge of Management Duties**

In the discharge of the Management Duties, the Manager will perform the Management Duties:

- (a) diligently, expeditiously, in good faith and to a high standard, acting at all times in the best interests of the Group;
- (b) with the degree of skill and due care expected of a professional property manager operating in the property management industry in exercising the rights, power and authorities granted to it, and in performing its obligations, under this Agreement; and
- (c) in accordance and compliance with:
  - (i) all applicable legal requirements;
  - (ii) any regulatory provisions that apply to either the Manager or the Group;
  - (iii) any rules or requirements of any self-regulatory organisation to which the Manager is affiliated; and



- (iv) the reasonable requirements and directions of the Board as advised from time to time.

#### 4.3 **Records**

During the term of this Agreement, the Manager must at all times keep comprehensive and up to date records of all transactions entered into by the Manager on behalf of, or in relation to, the Group.

#### 4.4 **Procedures**

During the term of this Agreement, the Manager must have and maintain procedures and standards, and terms and conditions of employment which require its officers and employees to conduct themselves in accordance with all applicable laws and regulations.

#### 4.5 **Manager's warranties**

The Manager represents and warrants that:

- (a) it has the necessary expertise, experience and facilities required to properly carry out the duties and responsibilities specified in Schedules 1 to 3; and
- (b) its obligations under this Agreement are valid and binding and enforceable in accordance with their terms against the Manager.

#### 4.6 **Authority**

Subject to the Constitution and the Companies Act 1993, Centuria Healthcare grants the Manager powers of management and authority over the affairs of the Group as set out in this Agreement and the Delegated Authorities Policy.

### 5 **INSURANCE**

#### 5.1 **Manager to maintain insurance**

The Manager must effect and maintain or have the benefit of, appropriate professional indemnity insurance (taking account of the scope and nature of the Manager's Management Duties under this Agreement) with a minimum insured sum of \$20,000,000, in connection with the Management Duties to be carried out by the Manager covering all persons employed by the Manager in relation to the Management Duties.

#### 5.2 **Terms of policies**

The policy of insurance referred to in clause 5.1 must be with an insurer and on terms acceptable to Centuria Healthcare.

#### 5.3 **Inspection of policies**

The insurance policy required under this clause 5.1 must be taken out or in place and the premiums paid before the Manager commences the Management Duties and the Manager must provide evidence of the currency of the policies and payment of premiums whenever reasonably requested by Centuria Healthcare.

#### 5.4 **Notification**

The Manager must promptly inform Centuria Healthcare of any event of which it has knowledge in respect of which Centuria Healthcare or any third party may be entitled to make a claim on an insurance policy in relation to this agreement and the services provided.



## 6 DUTIES OF CENTURIA HEALTHCARE

### 6.1 Duties of Centuria Healthcare

Centuria Healthcare shall (and will ensure that other members of the Group also):

- (a) *Access*: allow the Manager and the Manager's employees and permitted subcontractors and invitees access to the Properties to enable the Manager to perform its obligations under this Agreement;
- (b) *Payment*: pay the Manager the Fees in accordance with clause 11;
- (c) *Powers*: delegate to the Manager the powers, duties and discretions that the Board is competent at law to delegate to the Manager and may be necessary for the proper performance of the Manager's duties under this Agreement in accordance with the Delegated Authorities Policy;
- (d) *Assistance*: provide any other reasonable assistance as may be necessary or desirable to allow the Manager to perform its obligations under this Agreement; and
- (e) *Responses by Board*: ensure that the Board acts in a prompt and decisive manner in responding to any recommendations or requests of the Manager.

### 6.2 Centuria Healthcare warranties

Centuria Healthcare represents and warrants that its obligations under this Agreement are valid and binding and enforceable in accordance with their terms against Centuria Healthcare.

## 7 TERMINATION

### 7.1 Immediate Termination by the Manager

The Manager will be entitled to terminate this Agreement with immediate effect by notice in writing to Centuria Healthcare:

- (a) if Centuria Healthcare becomes insolvent, makes or attempts to make any composition, assignment, or other arrangement with, or for the benefit of, its creditors or any class thereof, goes, or is put into liquidation (other than a voluntary liquidation), has a receiver or manager appointed in respect of its assets or is wound up or dissolved; or
- (b) in the circumstances referred to in clause 14.

### 7.2 Immediate Termination by Centuria Healthcare

Centuria Healthcare will be entitled to terminate this Agreement with immediate effect by notice in writing to the Manager:

- (a) if the Manager becomes insolvent, makes or attempts to make any composition, assignment, or other arrangement with, or for the benefit of, its creditors or any class thereof, goes, or is put into liquidation (other than a voluntary liquidation), has a receiver or manager appointed in respect of its assets or is wound up or dissolved or Centuria Healthcare reasonably considers that any of these events is about to occur and notifies the Manager accordingly;



- (b) if the Manager has failed, neglected or refused to carry out or perform any material function or action required to be carried out or performed by the Manager pursuant to the terms of this Agreement (*Non-Performance*), and:
  - (i) Centuria Healthcare has given the Manager notice (including details) of its Non-Performance (the *Centuria Healthcare Notice*);
  - (ii) the Manager has failed to cure a material breach of this Agreement arising from the Non-Performance set out in the Centuria Healthcare Notice within 30 Business Days, or such longer period specified by Centuria Healthcare, of the Manager's receipt of the Centuria Healthcare Notice; and
  - (iii) Centuria Healthcare may only exercise the right of termination pursuant to this clause 7.2(b) if the termination has been approved by a Special Resolution of shareholders of Centuria Healthcare (excluding the Manager and any of its Related Parties) at a properly called quorate meeting of Centuria Healthcare; and
- (c) in the circumstances referred to in clause 14.

### 7.3 **Termination by the Manager on notice**

In addition to its termination rights contained in clause 7.1 the Manager may terminate this Agreement upon six months written notice to Centuria Healthcare.

### 7.4 **Termination by Centuria Healthcare on notice**

Centuria Healthcare may terminate this Agreement upon six months written notice to the Manager if the termination has, prior to the expiry of the notice period under this clause, been approved by a Special Resolution of shareholders of Centuria Healthcare (excluding the Manager and any of its Related Parties) at a properly called meeting of Centuria Healthcare.

## 8 **CONSEQUENCES OF TERMINATION**

### 8.1 **General**

Any termination of this Agreement shall be without prejudice to the rights of either party against the other in respect of any antecedent breach of any of the provisions contained or implied in this Agreement.

### 8.2 **Manager's obligations**

Upon termination of this Agreement by either party, the Manager shall, providing all sums due and payable from Centuria Healthcare to the Manager under this Agreement have been paid in full:

- (a) deliver to Centuria Healthcare, within 30 Business Days of termination all Business Records; and
- (b) furnish all other information and take all such reasonable actions to effect an orderly termination of the Manager's duties hereunder.



### 8.3 Centuria Healthcare's obligations

Upon termination of this Agreement, Centuria Healthcare will:

- (a) assume any remaining obligations under any contract which the Manager has entered into provided such contract is authorised under the terms of this Agreement or has otherwise been approved by Centuria Healthcare;
- (b) remove any reference to "Centuria", any term used in the Manager's name or the name of the Manager's successors in its company name;
- (c) indemnify and keep the Manager indemnified in respect of any further liability under any such contract, save for liability for breach of any such contract caused by the Manager's act or default prior to the date of termination of this Agreement.

In the event that any fees and costs due and payable to the Manager under this Agreement, remain unpaid at the date of termination of this Agreement as the result of a bona fide dispute, then Centuria Healthcare must pay those monies to a solicitor appointed by agreement of the parties or failing such agreement to a solicitor appointed by the President for the time being of the New Zealand Law Society on the application of either party and that solicitor shall hold such monies on trust for the parties, pending settlement of the dispute.

### 8.4 Payment obligations

From the date of termination, no further Fees shall be payable to the Manager, save such Fees as are due and payable up to the date of such termination and any Fees paid for Disengagement Services under clause 9). Such Fees (excluding Fees for Disengagement Services) will be paid 7 Business Days after termination becomes effective.

## 9 DISENGAGEMENT SERVICES

### 9.1 Disengagement services

If requested by Centuria Healthcare in writing following the service of a termination notice under clause 7.3 or 7.4, the Manager will provide Disengagement Services to Centuria Healthcare to the same standards as those required for the provision of Management Duties for a period until Centuria Healthcare is satisfied (acting reasonably) that the Management Duties have been fully transitioned to the person to assume responsibility for those duties, providing that such period will not exceed six months following receipt of Centuria Healthcare's written request to perform such management duties (*Disengagement Period*).

### 9.2 Management duties

In addition to the Disengagement Services, during the Disengagement Period the Manager will continue to perform such Management Duties as are requested by Centuria Healthcare and Centuria Healthcare will continue to pay the Fees, costs and expenses for such Management Duties during the Disengagement Period. 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.



## 10 FEES

### 10.1 Establishment fee

In consideration for sourcing and negotiating the acquisition of the Properties, establishing Centuria Healthcare, arranging the issue of Shares and arranging and negotiating Centuria Healthcare's funding and banking facilities, the Manager will be entitled to an initial fee of 2% of the purchase price of the Initial Properties, plus GST, payable to the Manager on the Settlement Date for the Initial Properties.

### 10.2 Fees

In consideration for the provision of services and the performance of the Manager of its obligations under this Agreement, Centuria Healthcare will pay to the Manager:

- (a) the Management Fee calculated in accordance with clause 11.3;
- (b) any applicable Performance Fee calculated in accordance with clauses 11.6;
- (c) any applicable transaction fees calculated in accordance with clauses 11.8 to 11.12; and
- (d) any other wind-up and termination fees calculated in accordance with clauses 11.13 to 11.14.

### 10.3 Calculation of the Management Fee

The annual Management Fee shall equal:

- (a) for so long as the only Properties owned by Centuria Healthcare are the Initial Properties, 0.25% (plus GST) of the average month-end total asset value of Centuria Healthcare;
- (b) if an additional Property other than the Initial Properties is acquired:
  - (i) 0.25% (plus GST) of the average month-end total asset value of the Initial Properties; plus
  - (ii) up to 0.5% (plus GST) of the average month-end total asset value of Centuria Healthcare less the average month-end total asset value Initial Properties,

provided that from 20 April 2052, the annual Management Fee shall equal 0.5% (plus Gst) of the average month-end total asset value of Centuria Healthcare. Asset values will be calculated in accordance with GAAP for the purposes of determining the Management Fee.

### 10.4 Payment of Management Fee

The Manager shall receive, and Centuria Healthcare will ensure that the Manager is paid the Management Fee monthly in arrears by the 20th Business Day of the following month. To the extent that the term of this Agreement commences or terminates part way through a month, payment in respect of that month shall be pro-rated accordingly.



### 10.5 Definitions for calculation of the Performance Fee

For the purposes of calculating the Performance Fee the following definitions shall apply:

- (a) *Adjusted Opening NTA* means, in respect of a Performance Period, an amount calculated in accordance with the following formula:

$$\text{Opening NTA} + \text{Capital Raised} - \text{Capital Distributions} = \text{Adjusted Opening NTA}$$

- (b) *Benchmark* means 6.5% per Performance Period;
- (c) *Capital Distributions* means, in respect of a Performance Period, the distributions (including share buybacks or alternate return of capital structures) to shareholders of Centuria Healthcare of capital previously raised, pro-rated for the number of days the capital contributes to Net Tangible Assets during that Performance Period. For the avoidance of doubt, Capital Distributions excludes Income Distributions and the return of capital gains;
- (d) *Capital Raised* means, in respect of a Performance Period, the capital contributions of shareholders of Centuria Healthcare, pro-rated for the number of days the capital contributes to Net Tangible Assets during that Performance Period;
- (e) *Closing NTA* means, in respect of a Performance Period, the Net Tangible Assets calculated as at the last day of that Performance Period before any Performance Fee for that Performance Period;
- (f) *Deficit* means, in respect of a Performance Period, if the Fund Performance is less than the Benchmark for that Performance Period, an amount calculated in accordance with the following formula:

$$(\text{Benchmark} - \text{Fund Performance}) \times \text{Adjusted Opening NTA} = \text{Deficit}$$

- (g) *Deficit Brought Forward* means, in respect of a Performance Period, an amount equal to the Deficit calculated in the previous Performance Period;
- (h) *Distributions* means, in respect of a Performance Period, the sum of Capital Distributions and Income Distributions in respect of that Performance Period;
- (i) *Fund Performance* means, in respect of a Performance Period, a percentage calculated in accordance with the following formula:

$$\frac{(\text{Closing NTA} - \text{Opening NTA} + \text{Distributions} - \text{Capital Raised} - \text{Deficit Brought Forward})}{\text{Adjusted Opening NTA}} \times 100 = \text{Fund Performance}$$

- (j) *Income Distributions* means, in respect of a Performance Period, the gross income distributions (including the return of capital gains) paid to Shareholders during the Performance Period. For the avoidance of doubt, Income Distributions excludes Capital Distributions;



- (k) *Net Tangible Assets* means the total value of all net tangible assets of the Group, calculated in accordance with GAAP and the Group's accounting policies;
- (l) *Opening NTA* means, in respect of a Performance Period, the Net Tangible Assets calculated as at the last day of the preceding Performance Period before any Performance Fee for that preceding Performance Period;
- (m) *Performance Fee* means, in respect of a Performance Period, the amount calculated in accordance with the following formula:  
$$(Fund\ Performance - Benchmark) \times Adjusted\ Opening\ NTA \times 20\% = Performance\ Fee$$
- (n) *Performance Period* means the 12 month period ending on 31 March in each calendar year, except that:
  - (i) the first Performance Period is the period commencing on the date of incorporation of Centuria Healthcare and ending on 31 March 2023; and
  - (ii) the final Performance Period is the period commencing the day following the immediately preceding Performance Period and ending on the final Performance Fee Payment Date;
- (o) *Performance Fee Payment Date* means:
  - (i) the last day of each Performance Period;
  - (ii) the date of the winding up of Centuria Healthcare; and
  - (iii) the date this Agreement is terminated or the Manager is otherwise removed.

#### 10.6 **Payment of Performance Fee**

- (a) In respect of each Performance Period, the Manager shall calculate the Fund Performance, any Deficit and any Performance Fee. If the Performance Fee calculated is a positive amount, the Manager shall receive, and Centuria Healthcare will ensure that the Manager is paid, such Performance Fee (plus GST) monthly in arrears by the 20th Business Day of the month following the Performance Fee Payment Date. If the Performance Fee calculated is a negative amount, no Performance Fee is payable.
- (b) Subject to clause 10.6(a), the accrued Performance Fee (if any) will be paid to the Manager in:
  - (i) cash; or
  - (ii) Shares if agreed by Centuria Healthcare and the Manager in writing.



### 10.7 Sales fee

Upon a sale of a Property or any part of a Property, the Manager will be entitled to a fee equal to 1% of the gross sale price for a Property or part of a Property plus GST, payable to the Manager on the Settlement Date.

### 10.8 Acquisition fee

On completion of every acquisition of a Property by the Group, the Manager shall be entitled to an amount equal to 2% of the aggregate of the purchase price plus any other consideration provided or to be provided for any interest in any real property to be acquired by Centuria Healthcare or any subsidiary of Centuria Healthcare, plus GST, provided that the Manager shall not be entitled to a fee for the acquisition of the Initial Properties.

### 10.9 Leasing fees

(a) In the event that any new Lease or term extension to an existing Lease in respect of a Property is agreed by the Manager (otherwise than pursuant to a contractual right in favour of a Lessee contained in an existing Lease), a facilitation fee for such new lease or extension will be payable to the Manager when the agreement to lease is unconditional at the following rates:

- (i) Where no real estate agent is involved:
  - (A) Lease term of less than one year: Nil;
  - (B) Lease term of one year and greater but less than three years: 10% of annual Rent, plus GST;
  - (C) Lease term of three years and greater but less than five years: 12.5% of annual Rent, plus GST;
  - (D) Lease term of 5 years or longer: 15% of annual Rent, plus GST.
- (ii) Where a real estate agent is involved:
  - (A) Lease term of less than one year: Nil;
  - (B) Lease term of one year and greater but less than three years: 5% of annual Rent, plus GST;
  - (C) Lease term of three years and greater but less than five years, 6.5% of annual Rent, plus GST;
  - (D) Lease term of 5 years or longer: 7.5% of annual Rent, plus GST.

For the purposes of this clause 11.10(a) only, the Lease term is the term of the new Lease or term extension (excluding any renewal options).

(b) In the event of a Lessee exercising any renewal right or extension right in an existing Lease of the whole or any part of a Property, the Manager shall be entitled to a facilitation fee on formal notification of the renewal right or extension right of:

- (i) 5% of the annual Rent, plus GST; plus



- (ii) (if applicable) 1.5% of the annual Rent, plus GST, for each year that the extension or renewal exceeds the date that is five years from contracted expiry of the Lease provided that, in respect of any one renewal or extension, the fee payable under this clause may not exceed 15% of annual Rent, plus GST.
- (c) If the Manager agrees an increase in annual Rent (excluding CPI and fixed review uplifts) with a Lessee in respect of a Property, the Manager shall be entitled to a facilitation fee of 10% of the increase in annual Rent, plus GST.

#### 10.10 **Development management fees**

- (a) In respect of any Development where the total Cost of Works exceeds \$50,000 (excluding GST), the Manager shall be entitled to a fee equal to 3.5% plus GST of the total costs of the works (excluding GST).
- (b) A development management fee will be payable by instalments each month in arrears in respect of a period from and including the date that the relevant works are approved by the Manager until and including the date the certificate of practical completion has been issued in respect of such works (if applicable).

#### 10.11 **Refinancing fee**

- (a) In the event the Manager refinances or extends Centuria Healthcare's loan arrangements, the Manager shall be entitled to a refinancing fee equivalent to 0.1%, plus GST, of the total loan facility amount refinanced (after consideration for any increase or decrease in the facility amount).
- (b) A refinancing fee is not payable in the event the Manager refinances Centuria Healthcare's banking arrangements on the same terms, save for amendments to interest rate margins, fees and the expiry date, with the existing lender(s).

#### 10.12 **Wind-up fee**

Upon a Wind-Up Event, the Manager shall be entitled to charge a fee equal to 1% of the sale price of the Properties, plus GST, payable to the Manager within 5 Business Days of the Settlement Date and Centuria Healthcare receiving the proceeds from that sale.

#### 10.13 **Termination Fee**

If this Agreement is terminated by Centuria Healthcare pursuant to clause 7.4, then Centuria Healthcare shall pay to the Manager the Termination Fee, provided that termination of this Agreement shall be subject to approval by Special Resolution of the shareholders of Centuria Healthcare pursuant to clause 7.4.

### 11 **COSTS**

#### 11.1 **Manager to bear own costs**

Subject to clause 12.2, the Manager shall pay and discharge all costs, charges, expenses and liabilities associated or incurred by the Manager:

- (a) in connection with the day to day management, administration and operations of the Manager and the performance by the Manager of its obligations under this Agreement; and



- (b) otherwise arising from the provision of services in accordance with this Agreement.

### 11.2 **Costs to be borne by Centuria Healthcare**

Centuria Healthcare shall:

- (a) pay and discharge, and shall reimburse the Manager in respect of, all costs, charges, expenses and liabilities associated with, or incurred by or on behalf of Centuria Healthcare in connection with the Property or the operation of Centuria Healthcare; and
- (b) pay any reasonably incurred property management fees that may be payable in respect of the Properties, including where those services are provided by the Manager or any other person whether or not recoverable from a Lessee.

For the avoidance of doubt, and without limiting the generality of clause 12.2(a), none of the fees or expenses set out in Schedule 5 (ongoing fees and expenses) shall be met by the Manager and each shall be met by Centuria Healthcare in accordance with clause 12.2(a).

### 11.3 **Disagreement on costs**

To the extent that any disagreement or uncertainty arises in relation to which party should bear certain costs, the matter will be determined by the Manager and Centuria Healthcare in good faith and otherwise in accordance with clause 21.

## 12 **REVIEW OF PERFORMANCE**

### 12.1 **Review of performance**

On an annual basis, the parties will meet to carry out a joint review of the Manager's performance of its obligations under this Agreement, the delivery of Management Duties, general performance by the Manager and any matters arising from it and any other matter that either of the parties wish to include as part of that review. It is agreed that:

- (a) the review will not give rise to any additional rights of termination of the Manager under this Agreement; and
- (b) no changes to this Agreement, the Management Duties or the Fees will be deemed to occur or arise as a consequence of any such performance review unless the Manager and Centuria Healthcare agree to any such change in writing.

## 13 **FORCE MAJEURE**

### 13.1 **Force Majeure events**

Notwithstanding any other provision of this Agreement, non-performance by a party of any of its obligations under this Agreement including any failure, interruption or delay in fulfilling their duties under this Agreement, will be excused, without liability for non-performance, during the time and to the extent that performance is prevented, wholly or substantially, by "Force Majeure", meaning any event or circumstance beyond that party's reasonable control.



### 13.2 **Actions on the occurrence of Force Majeure**

The party claiming the benefit of this clause will:

- (a) as soon as that party becomes aware of the Force Majeure, promptly give written notice to the other party specifying the cause and extent of its inability to perform any of its obligations under this Agreement and the likely duration of such non-performance;
- (b) use its best endeavours to minimise the effects of the events referred to in this clause; and
- (c) resume any obligation affected by the Force Majeure as soon as reasonably possible after the termination or abatement of the Force Majeure.

### 13.3 **Termination on Force Majeure**

If circumstances of the type described in clause 14.1 above prevail for a continuous period of more than 60 Business Days:

- (a) the Manager shall be entitled to terminate this Agreement in accordance with clause 7.1(b); and
- (b) Centuria Healthcare shall be entitled to terminate this Agreement in accordance with clause 7.2(c),

with 6 months written notice to the other party of its intention to terminate.

## 14 **BOARD MAY ACT IN EMERGENCY**

Notwithstanding any other provision of this Agreement, in the event of any emergency where the safety of the Properties or their occupants or the supply of essential services is at risk or any other matter arises that requires the urgent attention of the Manager (*Emergency*) and the Board reasonably considers that:

- (a) the Manager is not acting in a sufficiently prompt manner to respond to the Emergency;
- (b) the Manager is unavailable to respond to the Emergency at the relevant time; or
- (c) there is insufficient time for the Manager to act in response to the Emergency,

the Board may act in response to the Emergency in the manner it considers appropriate and Centuria Healthcare will not be in breach of its obligation not to provide any of the services itself to be provided by the Manager under this Agreement or its appointment of the Manager as the sole and exclusive manager of the Group.

## 15 **INDEMNITIES**

- 15.1 Subject to clause 16.4, the Manager will indemnify and hold each member of the Group and its directors indemnified from and against any losses, liabilities, costs, claims, demands and expenses whatsoever which are made against or incurred by any member of the Group or its directors as a result of:



- (a) material unauthorised acts of the Manager, fraud, dishonesty, wilful default or wilful breach of the terms of this Agreement by the Manager; or
- (b) any claim made or threatened against Centuria Healthcare or any member of the Group by any employee or subcontractor engaged, or formerly engaged, by the Manager in providing the Management Duties,

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

15.2 If any claims or demands are brought or threatened to be brought against Centuria Healthcare in respect of which indemnification may be sought from the Manager pursuant to this Agreement, Centuria Healthcare is to notify the Manager in writing as soon as practicable after Centuria Healthcare becomes aware of such matters, and will fully consult with the Manager on the steps to be taken, if any, in defending any such action, proceeding, claim or demand.

15.3 Centuria Healthcare 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 Centuria Healthcare is, or may be, entitled to indemnification pursuant to this indemnity, without first consulting with and discussing such action with the Manager or where it would be unreasonable to do so.

15.4 The Manager shall not incur any liability, or be responsible under any indemnity, to Centuria Healthcare 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 any member of the Group; or
- (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 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.

15.5 To the full extent permitted by law, Centuria Healthcare agrees that the Manager will not be liable for:

- (a) any loss in value of Centuria Healthcare or reduction in Centuria Healthcare's share price; or
- (b) any reduction in the amount of the dividend paid by Centuria Healthcare,

unless such loss is a direct result of the Manager materially breaching its obligations under this Agreement.

15.6 In carrying out its obligations under this Agreement, the Manager acts as agent for each member of the Group to the extent of authorities and powers conferred under this Agreement and Centuria Healthcare will indemnify and hold the Manager and its directors and employees indemnified from and against any Claim which is made against or incurred by the Manager, its directors, employees or 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 a claim is judicially determined to have resulted from the 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 or contractors.

15.7 If any Claim is brought or threatened to be brought against the Manager in respect of which indemnification may be sought from Centuria Healthcare pursuant to this Agreement, the Manager is to notify Centuria Healthcare in writing as soon as practicable after the Manager becomes aware of such matters, and will fully consult with Centuria Healthcare on the steps to be taken, if any, in defending any such Claim.

15.8 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 Claim 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 Centuria Healthcare or where it would be unreasonable to do so.

15.9 Each party will take reasonable steps to mitigate any Claim (including any breach or default) of the other party (regardless of whether or not covered by any indemnity).

## 16 **INTELLECTUAL PROPERTY**

16.1 The Manager acknowledges and agrees that all intellectual property owned by Centuria Healthcare or any member of the Group shall remain at all times the absolute property of that party.

16.2 Centuria Healthcare acknowledges and agrees that all intellectual property owned by the Manager or a Related Company of the Manager and any intellectual property developed by the Manager in the course of providing the Management Duties under this Agreement shall be the absolute property of the Manager.



16.3 For the avoidance of doubt, the parties agree that Centuria Healthcare does not own any intellectual property in the name "Centuria" or any term used in the name of the Manager (or its successors).

## 17 **CONFIDENTIALITY**

17.1 The Manager must:

- (a) hold and keep confidential all Confidential Information;
- (b) not disclose or make available any Confidential Information in any manner detrimental to the Group or to any person except:
  - (i) to directors, officers, employees, agents and professional advisors of the Manager or its Related Companies, whom are subject to equivalent or similar duties of confidentiality in respect of the Confidential Information to the Manager;
  - (ii) with the prior consent of Centuria Healthcare; or
  - (iii) as is necessary in the course of complying with any applicable law or the rules of any relevant stock exchange that apply to any Related Company of the Manager.

17.2 The obligations created by this clause 18 shall remain in full force and effect after termination of this Agreement.

## 18 **NOTICES**

18.1 A notice required or permitted to be given by one party to another under this Agreement shall be in writing, addressed to the other party.

18.2 Any notice given to a party in accordance with clause 19.1 shall be treated as having been given and received:

- (a) if hand delivered, to a party's address, on the day of delivery if a Business Day, otherwise on the next following Business Day;
- (b) if sent by mail on a Business Day, on the third Business Day after posting correctly addressed and stamped otherwise on the second Business Day after posting; and
- (c) if transmitted by email to a party's designated email address and no automated notice of non-delivery is received, on the day of transmission if a Business Day, otherwise on the next following Business Day.

## 19 **ASSIGNMENT**

No party may assign the benefit of this Agreement without the other's prior written consent (such consent not to be unreasonably withheld or delayed).



## 20 DISPUTE RESOLUTION

- 20.1 If either party has any dispute with the other out of or in connection with this Agreement including any dispute as to its existence or validity (*Dispute*):
- (a) that party will promptly give full written particulars of the dispute to the other party; and
  - (b) the parties will promptly meet together and in good faith try and resolve the dispute.
- 20.2 If the dispute is not resolved within 20 Business Days of written particulars being given to (or any longer period agreed in writing by parties) the dispute shall be referred to the mediation of a single mediator. The referral to mediation shall be commenced by a party serving written notice on the other party stating the subject matter and details of the Dispute and requiring the Dispute to be referred to a mediator to be appointed by the parties. Failing agreement within 10 Business Days after, and exclusive of, the date of service of the written notice, the mediator shall be appointed at the request of a party by the chairperson or any other office holder for the time being of the New Zealand chapter of LEADR, or the nominee of such chairperson or such office holder. The guidelines which shall govern the mediation shall be set by the parties. Failing agreement within 10 Business Days after the appointment of the mediator, a party may request the mediator to set the guidelines (whether or not in conjunction with such party) which shall govern the mediation proceedings.
- 20.3 Subject to any right any party may have to apply to a court for any interim or preliminary relief in respect of the Dispute, completion or termination of the mediation shall be a condition precedent to the arbitration of the Dispute or any part of it.
- 20.4 If the parties are unable to resolve the Dispute by mediation the Dispute shall be referred to the arbitration of a single arbitrator. The arbitration shall be commenced by a party serving written notice on the other party stating the subject matter and details of the Dispute and requiring the Dispute to be referred to arbitration. The arbitrator shall be appointed by the parties, or failing agreement within 10 Business Days after, and exclusive of, the date of service of the written notice, shall be appointed at the request of a party by the President or Vice President for the time being of the New Zealand Law Society or the nominee of such President or Vice President. The arbitration shall be conducted as soon as possible at Auckland in accordance with the provisions of the Arbitration Act 1996 (excluding clauses 4 and 5 of the Second Schedule).
- 20.5 The award of the arbitrator shall be an award with reasons, which reasons shall form part of the award. The award of the arbitrator shall be final and binding on the parties and, to the extent that it is lawful to do so, the parties waive any right of appeal or review.
- 20.6 The parties shall bear their own costs and an equal share of the expenses of the mediation. The parties shall also bear their own costs and an equal share of the costs of the award in relation to any arbitration, unless the arbitrator determines that a party shall bear some proportion of, or all of, the costs of any other party.



20.7 The parties must continue to comply with their obligations under this Agreement during the dispute resolution process but disputed payments may be withheld to the extent of the dispute.

20.8 Nothing in this clause 21 shall limit the right of the Manager or Centuria Healthcare to terminate this Agreement in the circumstances set out in clause 7.

## 21 **BENEFITS FOR THE GROUP**

21.1 Notwithstanding any other clause of this agreement, the Manager acknowledges that any provision of this agreement that is intended to confer any right or benefit on Centuria Healthcare is intended to confer that right or benefit on Centuria Healthcare and any member of the Group and is to be read as extending to, and creating obligations on the part of the Manager that are enforceable at the suit of Centuria Healthcare and any other member of the Group whether by way of defence or otherwise pursuant to the provisions of the Contract and Commercial Law Act 2017.

21.2 Despite clause 22.1, this agreement may be amended by the parties without the need to obtain the consent of any members of the Group other than Centuria Healthcare.

## 22 **GENERAL**

### 22.1 **No partnership**

Nothing in this Agreement or in the relationship between the parties shall be construed as, in any sense, creating a partnership or joint venture between any member of the Group and the Manager or subjecting either party to the creditors of the other party.

### 22.2 **No conflict of interest**

For the avoidance of doubt, nothing in this agreement limits the Manager's ability to manage or participate in any other funds, syndications or other similar arrangements.

### 22.3 **No waiver**

Any delay, failure or forbearance by a party to exercise (in whole or in part) any right, power or remedy under, on in connection with, this Agreement shall not operate as a waiver of such right, power or remedy. No party will be deemed to have waived any right under this Agreement unless such waiver is in writing and signed by that party. The waiver of any breach shall not be, or be deemed to be, a waiver of any other or subsequent breach.

### 22.4 **Counterparts**

This Agreement may be signed in any number of counterparts which shall constitute one agreement binding the parties notwithstanding that the parties are not signatories to the original or same counterpart.

### 22.5 **Variations**

This Agreement may only be amended in writing signed by both parties.



**22.6 Further assurances**

Each party will take all steps, execute all documents and do everything as may be reasonably required by the other party to carry out and give effect to the terms and intentions of this Agreement according to its true intent.

**22.7 Severability**

If at any time any provision of this Agreement is held by a court of competent jurisdiction to be unreasonable, illegal, invalid or unenforceable for any reason whatsoever, that unreasonableness, illegality or unenforceability shall not affect the ability of Centuria Healthcare or the Manager to enforce any other provision of this Agreement and such provision shall be modified only to the extent necessary to give effect to the ruling of the court.



**SIGNED**

**Centuria NZ Healthcare Property Fund Limited** by:

A blue ink signature of Edward Hanson, written in a cursive style.

\_\_\_\_\_  
Signature of Authorised Signatory

Edward Hanson

\_\_\_\_\_  
Name of Authorised Signatory

A black ink signature of Philip Dixon, written in a cursive style.

\_\_\_\_\_  
Signature of Authorised Signatory

Philip Dixon

\_\_\_\_\_  
Name of Authorised Signatory

**Centuria Funds Management (NZ) Limited** by:

A black ink signature of Mark Francis, written in a cursive style.

\_\_\_\_\_  
Signature of Authorised Signatory

Mark Francis

\_\_\_\_\_  
Name of Authorised Signatory

A black ink signature of Luke Fitzgibbon, written in a cursive style.

\_\_\_\_\_  
Signature of Authorised Signatory

Luke Fitzgibbon

\_\_\_\_\_  
Name of Authorised Signatory



## **SCHEDULE 1: INVESTMENT MANAGEMENT DUTIES**

The Manager's investment management duties shall cover the following:

- 1 Maximise the value of the investment of Centuria Healthcare's shareholders in Centuria Healthcare through acquisition, development and sale of the Properties, as approved by the Board;
- 2 Identify properties to be acquired by any member of the Group to maximise the value of Centuria Healthcare and present such properties to the Board for their consideration and approval;
- 3 To:
  - (a) prepare individual development and divestment proposals in respect of the Properties for approval by the Board;
  - (b) make recommendations in respect of such proposals;
- 4 Manage the development and divestment of the Properties as approved by the Board;
- 5 To:
  - (a) prepare finance proposals in respect of Centuria Healthcare's funding arrangements for approval by the Board;
  - (b) make recommendations in respect of such proposals;
- 6 Otherwise arrange, oversee and monitor Centuria Healthcare's funding and banking facilities and manage the financial affairs of Centuria Healthcare in line with the overall strategies as determined by the Board;
- 7 Manage relationships between Centuria Healthcare and all parties in accordance with the Board's direction with whom it is necessary to associate for all the ongoing activities of Centuria Healthcare including;
  - (a) lessees;
  - (b) real estate agents;
  - (c) registered valuers;
  - (d) quantity surveyors;
  - (e) property consultants;
  - (f) lawyers;
  - (g) accountants;
  - (h) public relations consultants;



- (i) investors;
  - (j) insurance brokers;
  - (k) builders;
  - (l) architects;
  - (m) planners;
  - (n) engineers; and
  - (o) central and local government;
- 8 Attend meetings of Centuria Healthcare, the Board and its shareholders, whenever reasonably requested by Centuria Healthcare;
- 9 As required by the Board, provide its recommendation on the payment of dividends and distributions to shareholders; and
- 10 Provide employees, as reasonably required by Centuria Healthcare, to assist Centuria Healthcare and other Group entities.



## SCHEDULE 2: ASSET MANAGEMENT DUTIES

### Asset Management Duties

The Manager's asset management duties shall cover the following (except where such obligations are imposed on a Lessee):

- 1 Take all reasonable steps to ensure payment by the due date of all amounts due to, or by Centuria Healthcare (including, without limitation, all rates, fees, taxes (including income tax and GST payable by Centuria Healthcare to the Inland Revenue Department) and any Fees payable under clause 11), subject to Centuria Healthcare having sufficient funds;
- 2 Ensure the collection of rents and other monies, payable to Centuria Healthcare by any Lessee and licensees of the Properties whether payable in terms of a Lease, periodic tenancy or casual letting;
- 3 Enforce compliance by each Lessee with each and every term and condition of their Lease;
- 4 Enforce adherence by each Lessee to any building rules and regulations imposed by any statutory authority;
- 5 Initiate and negotiate rent reviews required under the terms of each Lease and where necessary, obtain rental valuations from registered valuers;
- 6 Process any sub-lettings and assignment of each Lease to ensure that the parties meet all of their obligations;
- 7 Review any Lessee's applications to alter any tenancy fitouts;
- 8 Ensure Centuria Healthcare's compliance with applicable laws relating to the Properties (including, but not limited to, laws relating to health and safety);
- 9 Regularly review any arrears of rent, fees, outgoings and other charges and take such reasonable actions as are necessary to recover such monies with the minimum of delay;
- 10 Ensure that any Lease, renewal of Lease, or variations of Lease are completed and documented;
- 11 Regularly inspect and report on the Properties;
- 12 Arrange all contracts required for the routine maintenance and service of the Properties;
- 13 Assess the need or desirability for any repairs to or maintenance of the Properties;
- 14 Supervise repairs and maintenance contracts to ensure the work carried out under the contracts is completed to the performance standards required;
- 15 In the event of any emergency when the safety of the Properties or their occupants; or the supply of essential services is at risk, take whatever measures are reasonably required in order to eliminate the risk, without reference to Centuria Healthcare,



- providing that a full report is forwarded to Centuria Healthcare at the earliest opportunity following completion of such measures;
- 16 Notify Centuria Healthcare of any damage or circumstances likely to require expenditure on the Properties or any other matter or thing which may or is likely to endanger the Properties;
  - 17 Prior to expiry or sooner determination of any Lease or licence prepare a schedule of dilapidations including a description of the maintenance, repairs and reinstatement works required to be carried out by the Lessee in its tenancy in accordance with the terms and conditions of the Lease or licence. The Manager shall serve the schedule of dilapidations on the Lessee and ensure that the Lessee complies with its obligations at its cost;
  - 18 Regularly review security measures in the Properties and report on any additional measures required;
  - 19 Obtain advice and assistance of appropriate consultants as deemed necessary in order to properly carry out the above duties and responsibilities;
  - 20 Ensure compliance with all statutes, ordinances, regulations, by-laws or other lawful requirements imposed on Centuria Healthcare and affecting or relating to the Properties or the use or occupation of the Properties;
  - 21 Review resource management notifications and reviews and report to Centuria Healthcare as to suggested steps to protect Centuria Healthcare's interests including the initiation of objection procedures;
  - 22 Review any relevant schemes and district plans and any changes or proposed changes to those schemes and district plans;
  - 23 Review government valuations and statutory assessments of the Properties and report to Centuria Healthcare on the appropriateness of such assessments. Where necessary the Manager will conduct negotiations with the relevant authorities and initiate objection procedures;
  - 24 Receive all communications, complaints and representations from any Lessee, local authorities and other bodies in connection with the Properties and each Lessee and deal with the same as promptly as possible;
  - 25 Effect and keep current during the term of this Agreement a comprehensive insurance cover in respect of the Properties including but not limited to earthquake and fire, public liability, and loss of profits and/or rents;
  - 26 Monitor each Lessee as to any insurances required to be effected by them under the terms of its Lease and ensure that the premiums are paid;



### **SCHEDULE 3: ADMINISTRATIVE MANAGEMENT DUTIES**

#### **Administrative Management Duties**

The Manager's administrative management duties shall cover the following:

- 1 Ensure compliance by the Group with any relevant statutory enactment, regulation, by-law or notice;
- 2 Provide company secretarial services to Centuria Healthcare, including keeping and maintaining all statutory records for Centuria Healthcare, including board materials;
- 3 Keep all usual business, tax and accounting records for Centuria Healthcare in a good and efficient manner according to generally accepted good business practice;
- 4 Ensure that all documents and information held by the Manager are made accessible to Centuria Healthcare on request;
- 5 Arrange to pay any dividends or distributions declared by the Board to the shareholders of Centuria Healthcare;
- 6 Ensure compliance with any securities given by Centuria Healthcare for borrowings and make payments of all amounts properly payable under such borrowings;
- 7 Attend to any correspondence required to be entered into by the Group in relation to matters relating to the discharge of the Manager's duties set out in this Agreement;
- 8 Arrange for the preparation of the annual financial statements of Centuria Healthcare and for those financial statements to be audited by Centuria Healthcare's auditors in a timely manner including the audit of the calculation of the Fees and other costs under this Agreement;
- 9 Prepare the annual reports of Centuria Healthcare for Centuria Healthcare's shareholders;
- 10 Arrange shareholder/Board meetings of Centuria Healthcare and give notices of any such meeting to all shareholders/Board members in accordance with the constitution of Centuria Healthcare and applicable laws;
- 11 Prepare or procure the preparation of:
  - (a) such reports and other information and material as the Board may reasonably require in connection with the annual report, bi-annual report and audited annual accounts of the Group; and
  - (b) any other report as may be required from time to time by the Board. The Manager will promptly after request by the Board at any time provide Centuria Healthcare with any information 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 Keep minutes of all proceedings of all shareholder meetings of Centuria Healthcare, meetings of the Board and meetings of any committees of the Board;



- 13 Prepare and file by due date all tax returns required to be filed by Centuria Healthcare under any applicable statutory enactment, regulation, by-law or notice;
- 14 On the liquidation of Centuria Healthcare and its subsidiaries prepare final accounts and tax returns and arrange for final distributions to be made to members of Centuria Healthcare and its subsidiaries (if any); and
- 15 Arrange for annual valuations of the Properties.



## **SCHEDULE 4: DISENGAGEMENT SERVICES**

### **Disengagement Services**

The Manager's disengagement services shall cover the following:

- 1 Transferring, relocating or (within 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 Centuria Healthcare;
- 2 Providing reasonable access to premises, staff and information relevant to the performance of Management Duties;
- 3 Assisting with the transfer of relevant contracts (including sub-contracts) relating exclusively or primarily to the provision of the Management Duties to the Group or to a third party designated by Centuria Healthcare as a successor manager;
- 4 Consultancy services required to assist with the seamless migration of the Management Duties to the Group or to a third party designated by Centuria Healthcare as a successor manager; and
- 5 Such other services as Centuria Healthcare may reasonably require to ensure an orderly and timely migration of the Management Duties from the Manager to Centuria Healthcare or to a third party designated by Centuria Healthcare as a successor manager.



### SCHEDULE 5: ONGOING FEES AND EXPENSES

<b>Management Fee</b>	As calculated in accordance with clause 11.3 of this Agreement
<b>Performance Fee</b>	As calculated in accordance with clause 11.6 of this Agreement
<b>Transaction Fees</b>	As calculated in accordance with clauses 11.8 to 11.12 of this Agreement
<b>Director fees</b>	Such director fees as are approved by the Board from time to time.
<b>Audit of financial statements</b>	The fees of Centuria Healthcare's auditors for any audit or review of Centuria Healthcare's financial statements.
<b>Annual valuation fees</b>	The fees charged by any valuer to provide a valuation of a Property.
<b>Legal fees</b>	Legal fees arising in relation to management of the Properties and Centuria Healthcare, including for any rent reviews, new Leases, renewals of Leases, assignments, construction contracts, shareholder meetings, refinancings and any sale of a Property or subsidiary (charged on the basis of time spent).
<b>Interest charges/principal payments</b>	Annual interest charges and/or principal payments payable
<b>Outgoings, property maintenance expenses, fees and costs</b>	Expenses, fees and costs associated with repairs, maintenance or improvement of the Properties.
<b>Expenses on a sale of a Property or subsidiary</b>	<ul style="list-style-type: none"> <li>• Commission on the sale of a Property or subsidiary.</li> <li>• Legal fees arising in relation to attendances on the sale of a Property or subsidiary and repayment of the bank loan (charged on the basis of time spent).</li> <li>• An early repayment fee may be payable to the bank in the event that principal is repaid prior to expiration of the term of any loan facility of Centuria Healthcare.</li> </ul>
<b>Other possible fees and expenses</b>	<ul style="list-style-type: none"> <li>• Leasing fees (whether for a new Lease or a renewed Lease) by external agencies involved in any such negotiations.</li> <li>• Incentive or re-letting costs agreed with any replacement tenant,</li> <li>• Development management fees.</li> <li>• Fees payable to consultants.</li> <li>• Local authority consent and development contributions.</li> <li>• Fees and expenses in relation to advice on the tax position of Centuria Healthcare.</li> </ul>



	<ul style="list-style-type: none"> <li>• Fees and expenses for shareholder and Board meetings.</li> <li>• Fees and expenses associated with establishing and maintaining Centuria Healthcare’s share register and fees payable to Centuria Healthcare’s share registry.</li> <li>• Fees and costs associated with regulatory compliance (such as health and safety, anti-money laundering or any levies payable by Centuria Healthcare or the Manager) in connection with its role as manager of Centuria Healthcare.</li> <li>• All other fees and expenses reasonably required in relation to the management and development of the Properties or which are necessary or desirable for the Manager to discharge its duties and/or comply with its obligations under this Agreement.</li> <li>• Any costs, fees and expenses under any contract entered into by Centuria Healthcare.</li> <li>• Property management fees payable to Bayleys Property Services Limited or any other property manager.</li> <li>• Out of pocket expenses and disbursements.</li> </ul>
<p><b>Fees and expense for raising capital</b></p>	<ul style="list-style-type: none"> <li>• All fees and expenses detailed in any product disclosure statement or offering document prepared by Centuria Healthcare.</li> <li>• Any fees and expenses approved by the Board in connection with any capital raising.</li> </ul>



### SCHEDULE 6: INITIAL PROPERTIES

Cantabria Lifecare	369 Old Taupo Road, Springfield, Rotorua
Palms Lifecare	100 - 104 Harris Street, Pukekohe, Auckland
Edith Cavell Lifecare	40 Head Street, Sumner, Christchurch
Brookhaven	29 Alport Place, Woolston, Christchurch
Stillwater Lifecare	60 Templemore Drive, Richmond, Nelson
Albarosa Rest Home	80 Harewood Road, Papanui, Christchurch
Camellia Court Rest Home	84 Harewood Road, Papanui, Christchurch
Golden Age	96 Harewood Road, Papanui, Christchurch
Annie Brydon Lifecare	71 Glover Road, Hawera, Taranaki
Colwyn House Lifecare	707 Duke Street, Mahora, Hastings
Clutha Views Lifecare	64 Essex Street, Balclutha, Otago
Te Wiremu House Lifecare	621 Aberdeen Road, Te Hapara, Gisborne
Somerfield Rest Home	137 Barrington Street, Somerfield, Christchurch
Palmerston Manor Lifecare	117 Botanical Road, Takaro, Palmerston North
Telford Lifecare	15 Telford Street, Merrilands, New Plymouth
Broadview Lifecare	108 Mosston Road, Castlecliff, Whanganui
Flaxmore Lifecare	8 Clifford Avenue, Bishopdale, Nelson
Coldstream	71 Park Street, Ashburton, Canterbury
Redroofs Lifecare	15 Dunblane Street, Maori Hill, Dunedin
Glengarry Lifecare	22 Glengarry Place, Wairoa
Elizabeth R Lifecare	30-33 Elizabeth Grove, Stratford, Taranaki
Roseneath Lifecare	227 High Street South, Carterton, Wairarapa
Princes Court Lifecare	58 Princes Street, Netherby, Ashburton
Highfield Lifecare	78A Avenue Road, West End, Timaru
Chiswick Park Lifecare	69A Maxwells Line, Awapuni,