

## **ADMINISTRATION DEED**

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**PROPERTY IMPROVEMENTS LIMITED (Issuer)**

**MAAT CONSULTING LIMITED (Administrator)**

**650 GREAT SOUTH ROAD LIMITED (650 GSR)**

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**DATE**                      **28 November 2024**

**PARTIES**

Name                      **Property Improvements Limited**

Short Name              **Issuer**

Notice Details

181 No. 3 Line  
Whanganui East  
Whanganui 4500  
P O Box 301848  
Albany  
Auckland 0752

Attention                Neil Tuffin

Name                      **Maat Consulting Limited**

Short Name              **Administrator**

Notice Details

181 No. 3 Line  
Whanganui East  
Whanganui 4500  
New Zealand

Attention                Neil Tuffin

Name                      **650 Great South Road Limited**

Short Name              **650 GSR**

Notice Details

181 No. 3 Line  
Whanganui East  
Whanganui 4500  
New Zealand

Attention                Neil Tuffin

**BACKGROUND**

This Deed records:

- (i)      the appointment of the Administrator;
- (ii)     the Issuer's and 650 GSR's obligations to pay certain amounts relating to the services provided in accordance with this Deed; and
- (iii)    the terms and conditions under which the Loan is to be administered.

## AGREED TERMS

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### 1 DEFINED TERMS, INTERPRETATION AND EFFECTIVENESS

#### 1.1 Defined terms

**Act** means the *Companies Act 1993*.

**Administration Fee** means an annual accounting fee of \$4,800 plus GST per annum adjusted annually by the annual movement in the Consumer Price (All Groups) Index.

**A Share** means an A Share in the Issuer, as set out in the Constitution.

**A Shareholder** means a holder of A Shares.

**B Share** means a B Share in the Issuer, as set out in the Constitution.

**B Shareholder** means a holder of B Shares.

**Board** means the board of Directors of the Issuer.

**Constitution** means the constitution of the Issuer, as amended or replaced from time to time.

**Director** means a director of the Issuer.

**Disbursements** means out of pocket expenses and disbursements incurred by the Administrator as an incidental part of carrying out its obligations under this Deed (including, without limitation, out of pocket expenses and disbursements incurred in the recovery or attempted recovery of an amounts payable under this Deed).

**Distribution** means, in relation to Shares held by a Shareholder:

(a) the direct or indirect transfer of money or property, other than Shares, by the Issuer to or for the benefit of the Shareholder; or

(b) the incurring of a debt by the Issuer to or for the benefit of the Shareholder,

whether by means of a purchase of property, the redemption or other acquisition of Shares, a distribution of indebtedness, or by some other means.

**Dividend** has the meaning given to that term in the Constitution.

**Financial Statements** means the financial statements in respect of the performance, financial position and cash flow of the Issuer to be prepared in accordance with clause 5.

**Financial Year** means a year ending on 31 March (or such other date as the Administrator nominates and the Directors approve and adopt in accordance with relevant law) or that part of such a year occurring at the commencement or winding up of the Issuer or as a result of a change in balance date. The first Financial Year for the Issuer will be from the date of this Deed to 31 March 2025.

**FMCA** means the *Financial Markets Conduct Act 2013*.

**GST** means goods and services tax chargeable under the GST Act.

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

**Issuer Account** means an interest bearing deposit account opened and maintained for and on behalf of the Issuer pursuant to clause 4.2.

**Loan** means the loan made or to be made by the Issuer to 650 GSR out of the proceeds of the initial issue of B Shares pursuant to the Offer.

**Offer** means the regulated offer (within the meaning of the FMCA) of B Shares in the Issuer made pursuant to the Offer Document.

**Offer Document** means the product disclosure statement dated on or about the date of this Deed in relation to the Offer (and any product disclosure statement or supplementary document that replaces or supplements (as applicable) that product disclosure statement in accordance with the FMCA).

**Ordinary Resolution** has the meaning given to that term in the Constitution.

**Portfolio Investment Entity** or **PIE** means a portfolio investment entity as that term is defined in section YA 1 of the Tax Act.

**Prescribed Investor Rate** or **PIR** means the rate of tax applicable to a Shareholder under the Tax Act.

**Register** means the register of Shares required by the Constitution and section 87 of the Act to be kept, and which is maintained by the Administrator pursuant to this Deed.

**Shareholders** means A Shareholders or B Shareholders or both or any of them as the context may require.

**Shares** means A Shares or B Shares or both or any of them as the context may require.

**Special Resolution** has the meaning given to that term in the Constitution.

**Tax Act** means the *Income Tax Act 2007* or the *Tax Administration Act 1994* (as applicable).

## **1.2 Interpretation**

In this Deed, except where the context otherwise requires:

- (a) a reference to any monetary amount is to New Zealand currency;
- (b) expressions defined in the main body of this Deed have the defined meaning in the whole of this Deed including the introduction and the schedules;
- (c) section, clause and other headings are for ease of reference only and do not form any part of the context or affect this Deed's interpretation;
- (d) where two or more persons are bound by a provision in this Deed, that provision will bind those persons jointly and each of them severally;
- (e) any obligation not to do anything includes an obligation not to suffer, permit or cause that thing to be done;
- (f) references to parties are references to parties to this Deed and include each party's executors, administrators and successors;
- (g) references to persons include references to individuals, companies, corporations, partnerships, firms, joint ventures, associations, trusts, organisations, governmental or other regulatory bodies or authorities or other entities in each case whether or not having separate legal personality;
- (h) singular words include the plural and vice versa, and words importing one gender include the other genders;
- (i) the schedules and their contents have the same effect as if set out in the body of this Deed;
- (j) references to sections, clauses and schedules are references to sections and clause of and the schedules to this Deed;

- (k) references to a statute include references to regulations, orders, rules or notices made under that statute and references to a statute or regulation include references to all amendments to that statute or regulation whether by subsequent statute or otherwise;
- (l) words or phrases appearing in this Deed with capitalised initial letters are defined terms and have the meanings given to them in this Deed;
- (m) a reference to any document, including this Deed includes a reference to that document as amended or replaced from time to time;
- (n) any reference to loss includes any cost, claim, liability, damage, expense, fine, penalty or tax;
- (o) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this Deed or any part of it;
- (p) the meaning of general words is not limited by specific examples introduced by "including", "for example" or similar expressions;
- (q) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (r) a reference to time is to New Zealand time; and
- (s) a reference to "written" or "in writing" includes all models of presenting or reproducing words, figures and symbols in a tangible and permanently visible form.

## **2 THE ROLE OF ADMINISTRATOR**

### **2.1 Appointment**

The Issuer appoints the Administrator to be the sole and exclusive administrator for the Issuer and, in such capacity, to provide administrative, secretarial and other services to the Issuer in accordance with the terms of this Deed. The Administrator accepts such appointment.

### **2.2 General Powers**

Subject to the provisions of this Deed, the Administrator will have the power to do all things and execute all documents necessary to manage and administer the Issuer for the benefit of the Issuer and the B Shareholders generally in accordance with this Deed, including, without limitation, full power to, on behalf of the Issuer:

- (a) make the Loan and collect all interest and principal payments and other amounts payable in relation to the Loan;
- (b) arrange the payment of Distributions to Shareholders on the terms described in this Deed and the Constitution; and
- (c) take all steps necessary to discharge its functions and duties under this Deed.

### **2.3 Power to delegate**

The Administrator may delegate to any related company of the Administrator or to its or their officers and employees or any of them all or any of the powers, authorities and discretions exercisable by the Administrator under the provisions of this Deed. Any things required by this Deed to be done by the Administrator may be done by its delegate on its behalf provided that the Administrator will at all times remain liable and responsible for the acts and omissions of any person appointed pursuant to this clause.

## **2.4 Appoint agents**

The Administrator may appoint and engage any debt collector, valuer, barrister, solicitor, accountant and any such other person or persons as may be necessary, usual or desirable for the purpose of exercising its powers and performing its obligations under this Deed.

## **2.5 Covenants by the Administrator**

For the duration of its appointment pursuant to this Deed, the Administrator will:

- (a) take all necessary steps to make the Loan to 650 GSR and obtain the related security on behalf of the Issuer (including by entering into priority documentation with 650 GSR's primary lender from time to time) as described in the Offer Document;
- (b) use all reasonable endeavours to ensure that the Issuer and the Loan are operated, carried on and conducted in a proper and efficient manner;
- (c) establish and maintain the Issuer Account on the terms described in clause 4.2;
- (d) collect all interest, principal, and other amounts payable by 650 GSR in respect of the Loan (including administration expenses) on behalf of the Issuer and pay such amounts into the Issuer Account;
- (e) distribute Dividends or cash distributions approved by the Board to B Shareholders in accordance with clause 4;
- (f) keep accounting records and provide Financial Statements to Shareholders in accordance with clause 5;
- (g) pay on behalf of the Issuer, from the Issuer Account or funds received from 650 GSR pursuant to this Deed, the costs of auditing the Financial Statements each year;
- (h) procure compliance with all applicable legislation and regulations in respect of the Loan and the Issuer;
- (i) without limiting clause 5, provide to each Shareholder such information as the Shareholder may reasonably require and is entitled to receive pursuant to the Constitution with respect to the Issuer;
- (j) keep and maintain an up-to-date Register of Shareholders containing the information required under the Act and any other particulars that the Administrator may consider desirable to include;
- (k) administer and be responsible for the day-to-day administration of the Issuer and the Loan;
- (l) register the Issuer for GST, collect GST on behalf of the Issuer (where applicable), file GST returns with the Inland Revenue Department and pay GST to the Inland Revenue Department on behalf of the Issuer;
- (m) elect for the Issuer to be a PIE for the purposes of the Tax Act and administer the Issuer as a PIE in accordance with all relevant laws and the powers given to the Board in the Constitution; and
- (n) make all payments of principal, interest, fees, expenses and charges required under the loan, priority and security documents contemplated by this Deed and/or the Offer Document, and otherwise procure compliance by the Issuer with all of its obligations in this Deed.

## **2.6 Term of appointment**

Subject to clause 2.7, the term of the appointment of the Administrator is for the duration of the Loan (including any renewal, variation, or extension).

## **2.7 Removal or resignation of Administrator**

The Administrator may resign on not less than 6 months' notice to the Issuer. In addition,

(a) the Issuer; or

(b) the B Shareholders by Ordinary Resolution,

may remove the Administrator, upon not less than 6 months' notice, but such removal will be conditional upon:

(c) payment to the Administrator of the Administration Fee to the date of removal; and

(d) unless B Shareholders otherwise resolve in accordance with the Constitution, the appointment of a replacement administrator,

and on and from the removal or resignation of the Administrator:

(e) the A Shares in the Issuer held by the Administrator will be surrendered by the Administrator for no consideration and cancelled;

(f) the Administrator will provide to the Issuer all accounting and other records relating to the Issuer or the Loan which are then in the possession or control of the Administrator; and

(g) the Administrator will be released from all of its covenants and obligations under this Deed (other than in respect of any antecedent breach).

## **2.8 Appointment of new administrator**

The appointment, and the terms of the appointment, of a new administrator must be approved by Ordinary Resolution of B Shareholders. A new administrator appointed pursuant to this clause 2.8 must promptly execute a document whereby the new administrator undertakes to the Issuer to be bound by and to observe and perform such administration obligations as shall have been approved by Ordinary Resolution of B Shareholders.

## **2.9 Administrator's entitlements preserved**

Nothing in this clause 2 will prevent the Administrator from receiving payment or a benefit which has accrued to the Administrator pursuant to the terms of this Deed prior to the date of, or arising on, the Administrator's removal from office.

# **3 FEES AND EXPENSES**

## **3.1 Administration Fee**

The Administrator will be entitled to payment of the Administration Fee plus GST monthly in advance.



### **3.2 Establishment Fee**

If the Offer is successful, the Administrator will be entitled to payment as soon as practicable following the closing of the Offer in one lump sum of a fee of \$25,000 plus GST in consideration for its role in arranging the Offer and the Loan, liaising with 650 GSR's primary lender in relation to the Loan, and providing certain associated services.

### **3.3 Expenses**

In addition to the fees referred to in clauses 3.1 and 3.2, the Administrator is entitled to pay the Disbursements out of the Issuer Account or funds received from 650 GSR, in each case in accordance with clause 3.4. The Disbursements will be payable as soon as reasonably practicable following the Administrator giving notice of such amounts to the Issuer and 650 GSR.

### **3.4 Payment of Fees and Expenses**

Without limiting 650 GSR's obligations under its separate management agreement with the Administrator and under the documentation relating to the Loan, the parties agree that, unless all parties agree otherwise in writing:

- (a) none of the fees or charges set out and otherwise referred to in clauses 3.1 to 3.3 (the **Fees and Expenses**) will be met by the Administrator or the Issuer personally;
- (b) 650 GSR shall be responsible for paying the Fees and Expenses, and shall at the time such amounts become payable in accordance with clauses 3.1 to 3.3 pay such amounts to the Issuer Account, to the Issuer, or to the Administrator, as directed by the Administrator in writing from time to time; and
- (c) to the extent that 650 GSR refuses or otherwise fails to pay any such amount under paragraph (b) (a **Defaulted Amount**), the Administrator may pay (before any distribution of Dividends to Shareholders) an amount equal to the Defaulted Amount to the person entitled to such amount. For the avoidance of doubt, payment of such amount will not, unless the Shareholders determine otherwise by Ordinary Resolution, reduce or otherwise prejudice in any way 650 GSR's obligation to pay the Defaulted Amount in accordance with paragraph (b).

## **4 INCOME AND DISTRIBUTION**

### **4.1 Receipt of Income**

The Issuer as lender under the Loan will receive all interest, principal, and other payments received in respect of the Loan. All such amounts received by the Issuer or the Administrator on behalf of the Issuer will be deposited by the Issuer or the Administrator (as the case may be) into the Issuer Account.

### **4.2 Issuer Account**

The Issuer Account will be opened for and on behalf of the Issuer to:

- (a) receive all amounts receivable under the Loan;
- (b) pay all costs, fees, expenses, deductions and allowances provided for under this Deed, to the extent not paid by 650 GSR; and
- (c) pay all Dividends approved by the Board to B Shareholders.

The bank account signatories for the Issuer Account will be two directors of the Administrator for authorising payments from the Issuer Account by any means jointly.

### **4.3 Distribution of Dividends**

Subject to the requirements of the Act in relation to the ability of the Board to declare a Dividend, the Issuer directs the Administrator to distribute and pay to Shareholders Dividends or cash distributions in accordance with the Constitution. The Administrator is authorised to retain from any such Dividends or cash distributions an amount of money for future expenditure which the Administrator deems appropriate and/or necessary to comply with the terms of this Deed. Where the Board is unable to declare a full Dividend or cash distribution in accordance with the Act, no Dividend or cash distribution or a reduced Dividend or cash distribution will be declared and paid.

## **5 RECORDS AND FINANCIAL STATEMENTS**

### **5.1 Records**

The Administrator will, in accordance with the Act, the FMCA, and all other applicable law, keep such accounting records as correctly record and explain the performance, financial position and cashflows of the Issuer, and will enable the Financial Statements to be prepared and conveniently and properly in accordance with this Deed.

### **5.2 Financial Statements**

As soon as practicable after the end of each Financial Year and in accordance with the FMCA, the Act, and all other applicable law, the Administrator will procure that Financial Statements and an annual report for the Issuer for that Financial Year are:

- (a) prepared and (to the extent required) audited;
- (b) lodged or otherwise registered with the appropriate registrar or other governmental entity; and
- (c) delivered to Shareholders and otherwise made publicly available.

Particulars of all charges which affect returns to Shareholders will be included in the Financial Statements.

### **5.3 On Request Information**

The Administrator will provide to Shareholders on request (free of charge) the latest Financial Statements and annual report of the Issuer at the time of request.

## **6 NOTICES**

Any notice, communication or information required by this Deed to be given to the Administrator, the Issuer, or 650 GSR must be given in writing, or such other manner as agreed to from time to time by the parties, to the address set out at the beginning of this Deed or to such other address as may be notified in writing by one party to all of the other parties.

## **7 MONEY PAYABLE TO SHAREHOLDERS**

Any money payable by the Administrator to a Shareholder under the provisions of this Deed may be paid by electronic means and shall:

- (a) be made payable to the Shareholder and sent electronically to the Shareholder's bank account the details of which the Shareholder has supplied to the Administrator when applying for B Shares; or
- (b) in the case of joint Shareholders, be made payable to the joint Shareholders and sent to the bank account the details of which the Shareholders have supplied to the Administrator when applying for B Shares; or
- (c) in any other case, be made payable as the Shareholder or joint Shareholders with the approval of the Administrator may from time to time specify, including a specification in writing to the Administrator to pay money to an account (of a bank or financial institution) nominated in writing by the Shareholder or joint Shareholders and which is different from the bank account the details of which the Shareholder(s) supplied to the Administrator when applying for the B Shares.

Any payment made in accordance with this clause 7 will be a full satisfaction of the money payable and will be a good discharge to the Issuer and the Administrator.

## **8 MISCELLANEOUS**

### **8.1 Role of Administrator**

Notwithstanding anything in this Deed, the Administrator may on its own account take up or acquire B Shares and for this purpose may borrow and grant security over such B Shares provided that the Administrator and its associated persons (as that term is defined in the Income Tax Act 2007) may not take up and acquire more than 19% of the B Shares.

### **8.2 Severance**

If any provision of this Deed is found by a court to be illegal invalid or unenforceable, that provision may be read down to the extent necessary to ensure that it is not illegal, invalid or unenforceable to give it a valid operation of practical character. If any provision cannot be so read down, the provision will be deemed to be void and severable and the remaining provisions of this Deed are not to be affected or impaired.

### **8.3 Amendment**

Any amendment to this Deed must be agreed between the parties, authorised by an Ordinary Resolution and thereafter recorded in writing between the parties

### **8.4 Governing law**

This Deed is governed by and construed in accordance with the laws of New Zealand. The parties submit to the non-exclusive jurisdiction of courts exercising jurisdiction there.

### **8.5 Counterparts**

This Deed may be executed in a number of counterparts. All the counterparts taken together constitute this Deed.

### **8.6 Deed binding and delivered**

For the purposes of section 9 of the Property Law Act 2007, this Deed:

- (a) is intended to be immediately and unconditionally binding upon each party to be bound by it when that party executes this Deed; and
- (b) without limiting any other mode of delivery, will be delivered by each party to be bound by it immediately upon the earlier of:
  - (i) physical delivery of an original form of this Deed executed by that party; or
  - (ii) transmission (whether by facsimile or email) of a copy of this Deed executed by that party,

to any person on whom this Deed confers a benefit or interest or to that person's solicitor or agent.

**SIGNING PAGE**

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**EXECUTED** as a deed

**PROPERTY IMPROVEMENTS LIMITED** by:

Neil Tuffin

Signature of director

Neil Tuffin

Name of director

Mark Hughson

Signature of director

Mark Hughson

Name of director

**MAAT CONSULTING LIMITED** by:

Neil Tuffin

Signature of director

Neil Tuffin

Name of director

Mark Hughson

Signature of director

Mark Hughson

Name of director

**650 GREAT SOUTH ROAD LIMITED** by:

Neil Tuffin

Signature of director

Neil Tuffin

Name of director

Mark Hughson

Signature of director

Mark Hughson

Name of director