

Management Agreement

Augusta Penrose Limited (Augusta Penrose)

Augusta Funds Management Limited (the
Manager)



CONTENTS

1	DEFINITIONS AND CONSTRUCTION	5
1.1	Defined terms	5
1.2	Interpretation	9
2	APPOINTMENT	9
2.1	Appointment	9
2.2	No other appointments by Augusta Penrose	9
2.3	Acceptance	9
2.4	Sub-contractors	10
3	TERM	10
4	MANAGEMENT DUTIES	10
4.1	Duties of Manager	10
4.2	Discharge of Management Duties	10
4.3	Records	11
4.4	Procedures	11
4.5	Manager's warranties	11
4.6	Authority	11
5	INSURANCE	11
5.1	Manager to maintain insurance	11
5.2	Terms of policies	11
5.3	Inspection of policies	11
5.4	Notification	12
6	DUTIES OF AUGUSTA PENROSE	12
6.1	Duties of Augusta Penrose	12
6.2	Augusta Penrose warranties	12
7	TERMINATION	12
7.1	Immediate Termination by the Manager	12
7.2	Immediate Termination by Augusta Penrose	12
7.3	Termination by the Manager on notice	13
7.4	Termination by Augusta Penrose on notice	13
8	CONSEQUENCES OF TERMINATION	13
8.1	General	13
8.2	Manager's obligations	13
8.3	Augusta Penrose's obligations	14
8.4	Payment obligations	14
9	DISENGAGEMENT SERVICES	14
9.1	Disengagement services	14
9.2	Management duties	14
10	FEES	15
10.1	Establishment Fee	15
10.2	Fees	15
10.3	Calculation of the Management Fee	15
10.4	Payment of Management Fee	15



10.5	Definitions for Calculation of the Performance Fee	15
10.6	Calculation of the Performance Fee	16
10.7	Payment of Performance Fee	16
10.8	Sales Fee	16
10.9	Acquisition Fee	17
10.10	Leasing Fees	17
10.11	Development management fees	18
10.12	Refinancing fee	18
10.13	Wind-Up Fee	18
10.14	Termination Fee	18
11	COSTS	18
11.1	Manager to bear own costs	18
11.2	Costs to be borne by Augusta Penrose	19
11.3	Disagreement on costs	19
12	REVIEW OF PERFORMANCE	19
12.1	Review of performance	19
13	FORCE MAJEURE	19
13.1	Force Majeure events	19
13.2	Actions on the occurrence of Force Majeure	19
13.3	Termination on Force Majeure	20
14	BOARD MAY ACT IN EMERGENCY	20
15	INDEMNITIES	20
16	INTELLECTUAL PROPERTY	22
17	CONFIDENTIALITY	23
18	NOTICES	23
19	ASSIGNMENT	23
20	DISPUTE RESOLUTION	23
21	GENERAL	25
21.1	No partnership	25
21.2	No conflict of interest	25
21.3	No waiver	25
21.4	Counterparts	25
21.5	Variations	25
21.6	Further assurances	25
21.7	Severability	25
	SCHEDULE 1: INVESTMENT MANAGEMENT DUTIES	27
	SCHEDULE 2: ASSET MANAGEMENT DUTIES	29
	SCHEDULE 3: ADMINISTRATIVE MANAGEMENT DUTIES	31



SCHEDULE 4: DISENGAGEMENT SERVICES

33

SCHEDULE 5: ONGOING FEES AND EXPENSES

34



MANAGEMENT AGREEMENT

Date: 5 January 2021

PARTIES

Augusta Penrose Limited a duly incorporated company having its registered office at Level 2, 30 Gaunt Street, Wynyard Quarter, Auckland (*Augusta Penrose*)

Augusta Funds Management 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 Augusta Penrose to:

A.1 acquire, own and develop (where appropriate) the property located at 752 Great South Road, Penrose, Auckland; and

A.2 provide returns to investors in Augusta Penrose,

in each case, as further set out, and subject to the terms of the Product Disclosure Statement for the offer of Shares, prepared by Augusta Penrose and dated on or about the date of this Agreement.

B Augusta Penrose wishes to appoint the Manager as manager of Augusta Penrose to provide Augusta Penrose 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:

Additional Delegated Authorities means such additional authorities that may be delegated by the Board in writing to the Manager from time to time. For the avoidance of doubt, Additional Delegated Authorities excludes Delegated Authorities;

Agreed Form means, in relation to a document, the form of that document which has been initialled by Augusta Penrose and the Manager for identification purposes only, in each case, with such amendments agreed in writing by Augusta Penrose and the Manager;

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;

Augusta Penrose means Augusta Penrose Limited;



Board means the board of directors, for the time being, of Augusta Penrose;

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 Augusta Penrose and the Property;

Cost of Works means any and all costs incurred by Augusta Penrose 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 Augusta Penrose'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 17; or
- (c) information which has been or subsequently is acquired or developed by the Manager without violating any of its obligations under clause 17 and without the use of any Confidential Information;

Constitution means the constitution of Augusta Penrose;

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 means such authorities delegated by the Board to the Manager in Agreed Form;

Disengagement Services means the services set out in Schedule 4;

Exit Date means the Settlement Date for a sale of all Property or the settlement date for a Realisation Transaction;

Fees means the fees payable by Augusta Penrose 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;

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;

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

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 Augusta Penrose to the Manager pursuant to clauses 10.3 and 10.4;

Outgoings means the costs of operating the Property such as maintenance, repairs, cleaning and utility charges, insurance, rates and taxes including those payable by the Lessees under their respective Lease;

Performance Fee means the performance fee payable by Augusta Penrose, calculated in accordance with clause 10.6;

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

Property means:

- (a) 752 Great South Road, Penrose, Auckland (as identified in Records of Title NA1067/112, NA1177/91, NA1365/12, NA1849/42, NA20C/873, NA382/277,



NA403/108, NA458/263, NA666/122, NA666/123, NA666/124, NA666/125, NA666/126, NA666/127, NA666/128, NA666/129, NA713/211 and NA720/45); and

- (b) any other direct property that Augusta Penrose or a subsidiary of August Penrose may acquire from time to time.

Realisation Transaction means a restructure or any other arrangement affecting Augusta Penrose which enables shareholders to realise more than 50% of their Shares.

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 Property including any car parks whether paid or calculated or payable (but excluding any management fee paid by Lessees as operating expense under those Leases);

Settlement Date means the date on which a Property is sold or acquired (as applicable) by Augusta Penrose;

Share means an ordinary share in Augusta Penrose;

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 Property occurring and any of the following events occurs:

- (a) Augusta Penrose 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) Augusta Penrose 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 Augusta Penrose 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 Augusta Penrose or any analogous procedure under the law of any jurisdiction in which



Augusta Penrose 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 Commencement Date and ending on 31 March 2022.

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

Augusta Penrose appoints the Manager as its sole and exclusive manager in accordance with the terms and conditions of this Agreement.

2.2 No other appointments by Augusta Penrose

- (a) During the term of this Agreement, Augusta Penrose will not itself provide nor appoint any other person to provide any of the services to be provided by the Manager under this Agreement.
- (b) For the avoidance of doubt, nothing in this Agreement restricts the ability of the Board or Augusta Penrose 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 Party 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 Augusta Penrose 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 Augusta Penrose:

- (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 Augusta Penrose;
- (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 Augusta Penrose;
 - (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, Augusta Penrose.

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, Augusta Penrose grants the Company full powers of management and authority over the affairs of Augusta Penrose and will have the exclusive right to negotiate and enter into all contracts in relation to the Property and Augusta Penrose. In particular (but without limitation), the Manager will have full power to act in accordance with the Delegated Authorities and any Additional Delegated Authorities in relation to Augusta Penrose and the Property.

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 Augusta Penrose.

5.3 **Inspection of policies**

The insurance policy to be taken out and maintained by the Manager under this clause 5 must be taken out 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 Augusta Penrose.



5.4 **Notification**

The Manager must promptly inform Augusta Penrose of any event of which it has knowledge in respect of which Augusta Penrose or any third party may be entitled to make a claim on an insurance policy.

6 **DUTIES OF AUGUSTA PENROSE**

6.1 **Duties of Augusta Penrose**

Augusta Penrose shall:

- (a) *Access*: allow the Manager and the Manager's employees and permitted subcontractors and invitees access to the Property to enable the Manager to perform its obligations under this Agreement;
- (b) *Payment*: pay the Manager the Fees in accordance with clause 10;
- (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;
- (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 **Augusta Penrose warranties**

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

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 Augusta Penrose:

- (a) if Augusta Penrose 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 13.

7.2 **Immediate Termination by Augusta Penrose**

Augusta Penrose 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 Augusta Penrose 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) Augusta Penrose has given the Manager notice (including details) of its Non-Performance (the *Augusta Penrose Notice*);
 - (ii) the Manager has failed to cure a material breach of this Agreement arising from the Non-Performance set out in the Augusta Penrose Notice within 30 Business Days, or such longer period specified by Augusta Penrose, of the Manager's receipt of the Augusta Penrose Notice; and
 - (iii) Augusta Penrose 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 Augusta Penrose (excluding the Manager and any of its Related Parties) at a properly called quorate meeting of Augusta Penrose; and
- (c) in the circumstances referred to in clause 13.

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 Augusta Penrose.

7.4 **Termination by Augusta Penrose on notice**

Augusta Penrose 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 Augusta Penrose (excluding the Manager and any of its Related Parties) at a properly called meeting of Augusta Penrose.

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 Augusta Penrose to the Manager under this Agreement have been paid in full:

- (a) deliver to Augusta Penrose, 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 **Augusta Penrose's obligations**

Upon termination of this Agreement, Augusta Penrose 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 Augusta Penrose;
- (b) remove any reference to "Augusta", 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 Augusta Penrose 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 Augusta Penrose in writing following the service of a termination notice under clause 7.3 or 7.4, the Manager will provide Disengagement Services to Augusta Penrose to the same standards as those required for the provision of Management Duties for a period until Augusta Penrose 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 Augusta Penrose'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 Augusta Penrose and Augusta Penrose 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 Property, establishing Augusta Penrose, arranging the issue of Shares and arranging and negotiating Augusta Penrose's funding and banking facilities, the Manager will be entitled to an initial fee of 2% of the purchase price of the property located at 752 Great South Road, Penrose, Auckland, plus GST, payable to the Manager on the Settlement Date for that property.

10.2 Fees

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

- (a) the Management Fee calculated in accordance with clause 10.3;
- (b) any applicable Performance Fee calculated in accordance with clauses 10.6;
- (c) any applicable transaction fees calculated in accordance with clauses 10.8 to 10.12; and
- (d) any other wind-up and termination fees calculated in accordance with clauses 10.13 to 10.14.

10.3 Calculation of the Management Fee

- (a) Subject to clause 10.3(b), the annual Management Fee shall equal the higher of \$250,000 and 0.20% of the most recent valuation of the Property, plus GST, provided Augusta Penrose is the owner of the Property in that Year.
- (b) Prior to 31 March 2024, the annual Management Fee shall be equal to \$250,000, plus GST.

10.4 Payment of Management Fee

The Manager shall receive, and Augusta Penrose 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) *Internal Rate of Return* or *IRR* means, at any time, the discount rate (accruing daily and compounding annually) expressed as an annual percentage, which when applied to the pre-tax cash flows of Augusta Penrose (which, without limitation, includes the capital commitments of shareholders of Augusta Penrose and any dividends or distributions made) results in a net present value of zero as at that date;
- (b) *Preferred IRR* means an IRR of 6.50% per annum calculated in respect of pre-tax cash flows related to Augusta Penrose, with:



- (i) those payments of dividends or other distributions to shareholders of Augusta Penrose (including share buybacks or alternate return of capital structures) considered as positive amounts; and
- (ii) the capital contributions of shareholders of Augusta Penrose considered as negative amounts.

10.6 Calculation of the Performance Fee

- (a) To the extent that the shareholders of Augusta Penrose have received actual pre-tax returns on their investment in Augusta Penrose (whether by way of dividend, other distribution, share buyback, or alternate return of capital structures) of an amount above the Preferred IRR, the Manager shall be entitled to the Performance Fee as set out in clause 10.6(b).
- (b) The Manager is entitled to a Performance Fee equal to 20% of the returns in excess of the Preferred IRR that would otherwise be available to return to shareholders, plus GST.
- (c) The Performance Fee will be calculated from the Allotment Date to the date final distributions are paid to shareholders of Augusta Penrose. The Performance Fee is calculated on the Exit Date and it does not accrue prior to this date.
- (d) The estimated performance fee will be calculated based on the estimated IRR as at the Exit Date (the *Estimated Performance Fee*).
- (e) The final performance fee will be calculated based on the IRR as at the date final distributions are paid to shareholders of Augusta Penrose, with that IRR calculation taking into account the final distribution paid to shareholders (the *Final Performance Fee*).
- (f) The Performance Fee shall be calculated as if all allowable costs, fees and expenses have been paid, excluding the Performance Fee.

10.7 Payment of Performance Fee

The Performance Fee (if any) will be paid to the Manager as follows:

- (a) 80% of the Estimated Performance Fee is payable on the Exit Date; and
- (b) the remaining Final Performance Fee (including any adjustments required between the Estimated Performance Fee and the Final Performance Fee) is payable on the date the final distribution is paid to shareholders of Augusta Penrose.

10.8 Sales Fee

Upon a sale of a Property or any part of a Property, the Manager will be entitled to a fee equal to:

- (a) 1% of the gross sale price for a Property or part of a Property; or
- (b) 0.5% of the gross sale price for a Property or part of a Property if an external agent is used to sell that Property,



in each case, plus GST, payable to the Manager on the Settlement Date.

10.9 Acquisition Fee

On completion of every acquisition of a Property by Augusta Penrose, the Manager shall be entitled to an amount equal to 2.00% 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 Augusta Penrose or any subsidiary of Augusta Penrose, plus GST, provided that the Manager shall not be entitled to a fee for the acquisition of 752 Great South Road, Penrose, Auckland.

10.10 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: 12.50% 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 five years: 5% of annual Rent, plus GST;
 - (C) Lease term of three years and greater but less than five years, 6.50% 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 10.10(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.

10.11 **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).

10.12 **Refinancing fee**

- (a) In the event the Manager refinances or extends Augusta Penrose's loan arrangements, the Manager shall be entitled to a refinancing fee equivalent to 0.10%, 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 Augusta Penrose's banking arrangements on the same terms, save for amendments to interest rate margins, fees and the expiry date, with the existing lender(s).

10.13 **Wind-Up Fee**

Upon a Wind-Up Event, the Manager shall be entitled to charge a fee equal to 0.1% of the sale price of the Property, plus GST, payable to the Manager within 5 Business Days of the Settlement Date and Augusta Penrose receiving the proceeds from that sale.

10.14 **Termination Fee**

If this Agreement is terminated by Augusta Penrose pursuant to clause 7.4, then Augusta Penrose 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 Augusta Penrose pursuant to clause 7.4.

11 **COSTS**

11.1 **Manager to bear own costs**

Subject to clause 11.2, 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 Augusta Penrose**

Augusta Penrose 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 Augusta Penrose in connection with the Property or the operation of Augusta Penrose; and
- (b) pay any reasonably incurred property management fees that may be payable in respect of the Property, 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 11.2(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 Augusta Penrose in accordance with clause 11.2(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 Augusta Penrose in good faith and otherwise in accordance with clause 20.

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 Augusta Penrose 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 13.1 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) Augusta Penrose 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 Property or its 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 Augusta Penrose 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 its sole and exclusive manager.

15 **INDEMNITIES**

15.1 Subject to clause 15.4, the Manager will indemnify and hold Augusta Penrose and its directors indemnified from and against any losses, liabilities, costs, claims, demands and expenses whatsoever which are made against or incurred by Augusta Penrose 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 Augusta Penrose 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 Augusta Penrose (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 Augusta Penrose in respect of which indemnification may be sought from the Manager pursuant to this Agreement, Augusta Penrose is to notify the Manager in writing as soon as practicable after Augusta Penrose 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 Augusta Penrose 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 Augusta Penrose 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 Augusta Penrose 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 Augusta Penrose; 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, Augusta Penrose agrees that the Manager will not be liable for:
- (a) any loss in value of Augusta Penrose or reduction in Augusta Penrose's share price; or
 - (b) any reduction in the amount of the dividend paid by Augusta Penrose, 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 Augusta Penrose to the extent of authorities and powers conferred under this Agreement and Augusta Penrose 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 Augusta Penrose pursuant to this Agreement, the Manager is to notify Augusta Penrose in writing as soon as practicable after the Manager becomes aware of such matters, and will fully consult with Augusta Penrose 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 Augusta Penrose 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 Augusta Penrose shall remain at all times the absolute property of that party.
- 16.2 Augusta Penrose acknowledges and agrees that all intellectual property owned by the Manager or a Related Party 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 Augusta Penrose does not own any intellectual property in the name "Augusta" 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 Augusta Penrose or to any person except:
 - (i) to directors, officers, employees, agents and professional advisors of the Manager or its Related Parties, 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 Augusta Penrose; 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 Party of the Manager.

17.2 The obligations created by this clause 17 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 18.1 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 20 shall limit the right of the Manager or Augusta Penrose to terminate this Agreement in the circumstances set out in clause 7.

21 GENERAL

21.1 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 Augusta Penrose and the Manager or subjecting either party to the creditors of the other party.

21.2 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.

21.3 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.

21.4 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.

21.5 Variations

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

21.6 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.

21.7 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 Augusta Penrose 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

Augusta Penrose Limited by:

Signature of Authorised Signatory

Mark Francis

Name of Authorised Signatory

Signature of Authorised Signatory

Mark Peterson

Name of Authorised Signatory

Augusta Funds Management Limited by:

Signature of Authorised Signatory

Mark Francis

Name of Authorised Signatory

Signature of Authorised Signatory

Mark Peterson

Name of Authorised Signatory



SCHEDULE 1: INVESTMENT MANAGEMENT DUTIES

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

- 1 Maximise the value of Augusta Penrose's shareholders' investment in Augusta Penrose through acquisition, development and sale of the Property, as approved by the Board;
- 2 To:
 - (a) prepare individual development and divestment proposals in respect of the Property for approval by the Board;
 - (b) make recommendations in respect of such proposals;
- 3 Manage the development and divestment of a Property as approved by the Board;
- 4 To:
 - (a) prepare finance proposals in respect of Augusta Penrose's funding arrangements for approval by the Board;
 - (b) make recommendations in respect of such proposals;
- 5 Otherwise arrange, oversee and monitor Augusta Penrose's funding and banking facilities and manage the financial affairs of Augusta Penrose in line with the overall strategies as determined by the Board;
- 6 Manage relationships between Augusta Penrose and all parties in accordance with the Board's direction with whom it is necessary to associate for all the ongoing activities of Augusta Penrose 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;
- 7 Attend meetings of Augusta Penrose, the Board and its shareholders, whenever reasonably requested by Augusta Penrose;
 - 8 As required by the Board, provide its recommendation on the payment of dividends and distributions to shareholders; and
 - 9 Provide employees, as reasonably required by Augusta Penrose, to assist Augusta Penrose.



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 Lessees):

- 1 Take all reasonable steps to ensure payment by the due date of all amounts due to, or by Augusta Penrose (including, without limitation, all rates, fees, taxes (including income tax and GST payable by Augusta Penrose to the Inland Revenue Department) and any Fees payable under clause 10), subject to Augusta Penrose having sufficient funds;
- 2 Ensure the collection of rents and other monies, payable to Augusta Penrose by any Lessees 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 Leases;
- 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 Augusta Penrose'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 Leases, renewals of Leases, or variations of Leases 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 its 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 Augusta Penrose,



- providing that a full report is forwarded to Augusta Penrose at the earliest opportunity following completion of such measures;
- 16 Notify Augusta Penrose 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 Augusta Penrose 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 Augusta Penrose as to suggested steps to protect Augusta Penrose'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 Augusta Penrose 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 their 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 Augusta Penrose with any relevant statutory enactment, regulation, by-law or notice;
- 2 Provide company secretarial services to Augusta Penrose, including keeping and maintaining all statutory records for Augusta Penrose, including Augusta Penrose's share register and board materials;
- 3 Keep all usual business, tax and accounting records for Augusta Penrose 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 Augusta Penrose on request;
- 5 Arrange to pay any dividends or distributions declared by the Board to the shareholders of Augusta Penrose;
- 6 Ensure compliance with any securities given by Augusta Penrose for borrowings and make payments of all amounts properly payable under such borrowings;
- 7 Attend to any correspondence required to be entered into by Augusta Penrose 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 Augusta Penrose and for those financial statements to be audited by Augusta Penrose'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 Augusta Penrose for Augusta Penrose's shareholders;
- 10 Arrange shareholder/Board meetings of Augusta Penrose and give notices of any such meeting to all shareholders/Board members in accordance with the constitution of Augusta Penrose 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 Augusta Penrose; 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 Augusta Penrose with any information the Board may require in respect of Augusta Penrose'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 Augusta Penrose, 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 Augusta Penrose under any applicable statutory enactment, regulation, by-law or notice;
- 14 On the liquidation of Augusta Penrose prepare final accounts and tax returns and arrange for final distributions to be made to members of Augusta Penrose; and
- 15 Arrange for annual valuations of the Property.



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 Augusta Penrose from the Manager's sites to the locations designated by Augusta Penrose;
- 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 Augusta Penrose or to a third party designated by Augusta Penrose as a successor manager;
- 4 Consultancy services required to assist with the seamless migration of the Management Duties to Augusta Penrose or to a third party designated by Augusta Penrose as a successor manager; and
- 5 Such other services as Augusta Penrose may reasonably require to ensure an orderly and timely migration of the Management Duties from the Manager to Augusta Penrose or to a third party designated by Augusta Penrose as a successor manager.



SCHEDULE 5: ONGOING FEES AND EXPENSES

Management Fee	As calculated in accordance with clause 10.3 of this Agreement
Performance Fee	As calculated in accordance with clause 10.6 of this Agreement
Transaction Fees	As calculated in accordance with clauses 10.8 to 10.12 of this Agreement
Director fees	Such director fees as are approved by the Board from time to time.
Audit of financial statements	The fees of Augusta Penrose's auditors for any audit or review of Augusta Penrose's financial statements.
Annual valuation fees	The fees charged by any valuer to provide a valuation of a Property.
Legal fees	Legal fees arising in relation to attendances on management of the Property and Augusta Penrose, including documenting rent reviews, new leases, construction contracts and attendances in relation to any sale of a property (charged on the basis of time spent).
Interest charges/principal payments	Annual interest charges and/or principal payments payable
Outgoings, property maintenance expenses, fees and costs	Expenses, fees and costs associated with repairs, maintenance or improvement of the Property.
Expenses on a sale of the property or subsidiary	<ul style="list-style-type: none"> • Real estate commission on the sale of a property. • Legal fees will arise in relation to attendances on the sale of a property and repayment of the bank loan (charged on the basis of time spent). • 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 Augusta Penrose.
Other possible fees and expenses	<ul style="list-style-type: none"> • Legal fees for any future leasing, renewals of lease, assignments, rent reviews, refinancing, syndicate meetings and incidental to management of the property will be charged on the basis of time spent. • Leasing fees (whether for a new lease or a renewed lease) by external agencies involved in any such negotiations. • Incentive or re-letting costs agreed with any replacement tenant, • Development management fees.



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