



# **HEAD UNDERWRITING COMMITMENT**

## **PMG DIRECT CHILDCARE FUND**

## HEAD UNDERWRITING COMMITMENT – PMG DIRECT CHILDCARE FUND

DATED 2025

### PARTIES

**PMG PROPERTY FUNDS MANAGEMENT LIMITED** (company number 575337) C/- PMG Property Funds Management, Level 1, 143 Durham Street, Tauranga 3110 (**Manager**)

**PMG DIRECT CHILDCARE FUND TRUSTEES LIMITED** as custodian of the PMG Direct Childcare Fund (company number 6264688) C/- PMG Property Funds Management, Level 1, 143 Durham Street, Tauranga 3110 (**DCF**)

### BACKGROUND

- A. DCF wishes to make an offer to investors, targeting 15,460,000 new Units in DCF (to be issued at a price of \$0.97 per Unit with a total capital raise of \$14,996,200) (**Offer**).
- B. The Manager is the manager of DCF.
- C. At the request of DCF, the Manager has agreed to partially underwrite the Offer, up to 5,150,000 Units (\$4,995,500).
- D. The parties wish to enter into this agreement to formalise the arrangements pursuant to which the Manager underwrites the Offer.

### AGREEMENT

#### 1. INTERPRETATION

1.1 **Definitions:** In this agreement the following terms will have the following meanings:

**Acquisition Property** means 3 Pua Street, Westgate, Auckland, to be acquired as set out in the Offer Document.

**Business Day** means a day that is not a Saturday, Sunday a public holiday or a regional holiday in Tauranga.

**GST** means goods and services tax levied under the GST Act, at the rate prevailing from time to time, including any tax levied in substitution for such tax.

**GST Act** means the Goods and Services Tax Act 1985 (NZ).

**GST Group** means a group registered for GST under section 55 of the GST Act.

**Material Adverse Event** means an event or events, or any matter or matters or information, individually or together, which occurs, or which the Manager first becomes aware of, after the date of this agreement and which in the reasonable opinion of the Manager:

- (a) has or is likely to have, or once disclosed will or is likely to have, a material adverse effect (or materially increase an existing material adverse effect) on:
  - (i) the assets, liabilities, financial position or performance, profits or losses or prospects of DCF;

- (ii) the Offer;
  - (iii) the price at which the Units are issued;
  - (iv) the marketing, settlement or success of the Offer or any material aspect of it;
  - (v) the allotment of, and payment for, the Units to be issued;
  - (vi) the ability of DCF to issue the Units at the Offer Price; or
  - (vii) the acceptance of valid applications for Units under the Offer;
- (b) would, or would be likely to, give rise to a liability of the Manager in connection with the Offer under any law or regulation; or
- (c) has given, or is likely to give, rise to a contravention by the Manager of, or the Manager being involved in a contravention of, any applicable law or regulation.

**Offer** has the meaning given to that term in paragraph A of the Background.

**Offer Document** means the Product Disclosure Statement dated on or around 24 October 2025 prepared by the Manager in connection with the Offer.

**Offer Price** means the price per Unit payable by investors under the Offer (\$0.97 per Unit).

**Offer Settlement Date** means, subject to the deferment provision at clause 3.2, 28 November 2025, being the specified settlement date of the Offer.

**Offer Units** means new Units issued under the Offer, targeted at 15,460,000 Units.

**Settlement** means the issue of Offer Units by DCF in accordance with the Offer Document.

**Subscription Amount** has the meaning given in clause 4.2.

**Subscription Payment** has the meaning given in clause 4.2.

**Subscription Units** means 5,150,000 Units.

**Termination Events** means the events specified in the Schedule.

**Underwriting Fee** means 3% of the Underwritten Amount (being \$149,865 plus GST if any).

**Underwritten Amount** means the amount underwritten by the Manager, which is equal to 5,150,000 Units multiplied by the Offer Price (5,150,000 X \$0.97 = \$4,995,500).

**Units** means Units in DCF.

**Valid Applications** means a duly completed acceptance form (in the form attached to or issued with the Offer Document) received by the Manager (as the manager) on behalf of DCF with payment of the Offer Price (in cleared funds) for each Offer Unit applied for by the Offer Settlement Date as expressly set out in the Offer Document.

1.2 **Interpretation:** In this agreement:

- (a) **Currency:** Unless otherwise stated, references to dollars and "\$" are references to the lawful currency of New Zealand.

- (b) **Documents:** References to any document (however described) are references to that document as modified, novated, supplemented, varied or replaced from time to time and in any form, whether on paper or in an electronic form.
- (c) **Headings:** Headings are inserted for reference only and will not affect the meaning or interpretation of this agreement.
- (d) **Inclusive Expressions:** The term includes or including (or any similar expression) is deemed to be followed by the words without limitation.
- (e) **Negative Obligations:** Any obligation not to do anything includes an obligation not to suffer, permit or cause that thing to be done.
- (f) **References:** Unless otherwise stated, a reference to a clause or to a Schedule is to a clause in, or a Schedule to, this agreement.
- (g) **Plurals:** Words importing the singular will include the plural and vice versa.
- (h) **Writing:** Expressions referring to writing will be construed as including references to words printed, typewritten or any words transmitted by facsimile transmission or by email or other electronic form.

1.3 **Payments:** All payments to be made by any party under this agreement will be made on the due date in immediately available cleared funds by way of irrevocable real time electronic direct bank transfer to the account (if any) specified in this agreement for the purposes of such payment or to such account as may be nominated in writing by the party receiving such payment.

## 2. APPOINTMENT AS UNDERWRITER

2.1 **Agreement to Subscribe:** DCF agrees to appoint the Manager to partially underwrite the Offer on an exclusive basis and on the terms and conditions of this agreement and the Manager accepts its appointment to act as underwriter.

2.2 **Sub-underwriters:** The Manager may at any time appoint sub-underwriters to sub-underwrite subscriptions for Offer Units but without releasing the Manager from any of its obligations under this agreement. The Manager will be responsible for any fees to be paid to any sub-underwriters. It is acknowledged that such sub-underwriters may be associated with the Manager.

## 3. CONDUCT OF THE OFFER

3.1 **Conduct of the Offer:** The Manager agrees to use its reasonable commercial endeavours to procure retail investors for the Offer Units in accordance with the timetable set out in the Offer Document.

3.2 **Deferral of Offer Settlement Date:** Notwithstanding clause 3.1, the Manager may at its sole and absolute discretion (by notice in writing to DCF given no later than 28 November 2025) elect to defer the Offer Settlement Date to a date specified in such notice up to 10 Business Days after 28 November 2025, in which event the Offer Settlement Date for all purposes under this agreement will be the date so specified.

3.3 **Manager to Notify DCF of Valid Applications:** No later than 4 pm on the Offer Settlement Date, the Manager will deliver to DCF a computerised list of Valid Applications and, if requested by DCF, will provide DCF with particulars of each acceptance form and the number of Offer Units proposed to be issued to each relevant subscriber in a manner which reconciles with such list.

## 4. SETTLEMENT AND SUBSCRIPTION FOR SUBSCRIPTION UNITS

4.1 **Confirmation of Subscription Units:** No later than 4pm on the Offer Settlement Date, DCF will, following consultation with the Manager, provide notice to the Manager of the Subscription Units.

4.2 **Subscription for Subscription Units:** The Subscription Units multiplied by the Offer Price (**Subscription Amount**) shall be deemed to be the Manager's committed capital to DCF, and payment of 100% of the Subscription Amount (**Subscription Payment**) shall be due from the Manager immediately.

4.3 **Settlement Obligations:** On receipt of payment of the Subscription Payment, DCF will:

- (a) pay the Underwrite Fee to the Manager; and
- (b) procure the issue of all of the Subscription Units to the Manager and/or (at the Manager's election) to the Sub-Underwriters or such other persons as the Manager may notify in writing (in such proportions as the Manager will notify to DCF).

5.5 **Terms of Issue:** The Subscription Units will be issued at the Offer Price and will have the same rights as, and rank pari passu in all respects with, each other Unit issued pursuant to the Offer.

## 5. TERMINATION

5.1 **Right of Termination:** Subject to the remainder of this clause 5, the Manager may, at any time prior to Settlement, by notice to DCF, and without any cost or liability except as specified in clause 5.2(c), immediately terminate this agreement if any one or more of the Termination Events occurs or has occurred at any time between the time of entry into this agreement and before Settlement and:

- (a) that event is not marked with an asterisk(\*); or
- (b) that event is marked with an asterisk (\*) and in the reasonable opinion of the Manager, that event comprises a Material Adverse Event.

5.2 **Effect of Termination:** If this agreement is validly terminated:

- (a) this agreement will be of no effect, except to the extent set out in this clause 5;
- (b) such termination will be without prejudice to:
  - (i) any rights, entitlements or liabilities of any party under this agreement accrued up to the time of termination, which will survive termination; and
  - (ii) any obligation of the Manager or DCF in respect of any Offer Units which have already been issued, acquired and paid for at the time of such termination;
- (c) clauses 5 to 12 (inclusive) will survive termination and remain in full force and effect.

## 6. FINANCIAL MARKETS CONDUCT ACT COMPLIANCE

The Manager acknowledges that it is a close business associate of DCF and that it also meets the requirements for a wholesale investor (as defined in the Financial Markets Conduct Act 2013 (**FMCA**)) in the business of acting as an underwriter and accordingly an Investment Business as defined in clause 37(1)(a)(ii) of Schedule 1 of the FMCA. The Manager accordingly acknowledges and confirms that the offer of financial products to the Manager under this agreement is exempt from disclosure under Part 3 of the FMCA.

7. **INDEPENDENT ADVICE AND NO RELIANCE**

7.1 **Independent Advice:** Each of the Manager and DCF acknowledge that it has had the opportunity to take such independent legal and other professional advice as it in each case considers appropriate in relation to its entry in this agreement.

7.2 **No Reliance:** The Manager confirms and acknowledges to DCF that it has not entered into this agreement in reliance on any warranties, representations or other statements made by or on behalf of any party to this agreement except as expressly set out in this agreement, and it will have no rights or remedies with respect to the matters the subject of this agreement other than under this agreement.

8. **DISPUTES**

8.1 **Good Faith:** The parties agree to use their best efforts to resolve through good faith negotiations any dispute that may arise in connection with this agreement.

8.2 **Notice of Dispute:** No party will commence any legal proceedings against the other parties unless it has notified that other parties in writing that there is a dispute (setting out the details of the dispute) and inviting the other parties to meet for the purposes of endeavouring to resolve the dispute.

8.3 **Mediation:** No party may, upon commencing the negotiation process or receiving notice under clause 8.2, give notice to the other parties requesting that the dispute be resolved by way of mediation. If a request for mediation is made and the other parties agree to attend mediation, then the parties will try to agree upon a mediator. If the parties fail to agree on a mediator within 5 Business Days of the request for mediation the mediator will be appointed by the then President of the New Zealand Law Society (or their nominee). All discussions in mediation will be without prejudice and may not be referred to in any subsequent proceedings.

8.4 **Continued Performance:** The parties will continue to perform their obligations under this agreement as far as possible as if no dispute had arisen pending the resolution of any dispute.

8.5 **Equitable Relief:** Nothing in this clause will preclude any party from taking immediate steps to seek urgent equitable relief before a New Zealand Court.

9. **GOODS AND SERVICES TAX (GST)**

9.1 **Interpretation**

- (a) Unless the context suggests otherwise, all words and phrases used in this clause 9 which are defined in the GST Act have the meanings given to them in the GST Act.
- (b) Any reference to GST paid or payable by the Manager or any related company of the Manager includes any GST paid or payable by the representative member of any GST group of which the Manager or any related company is a member.

9.2 **GST Exclusive Consideration:** Unless otherwise expressly stated, all prices or other sums payable or consideration to be provided under this agreement are expressed exclusive of any GST.

9.3 **Manager Services:** DCF acknowledges that the Manager and/or the representative member of the GST Group of which it is a member may treat supplies made under this agreement as zero-rated for the purposes of the GST Act and DCF will provide all reasonable assistance to the Manager to substantiate that treatment.

9.4 **Payment of GST:** The parties agree that if GST is chargeable, other than at zero percent, on any

supply made by one party (the **Supplier**) to another party (the **Recipient**) under or in accordance with this agreement, the Supplier will issue a tax invoice to the Recipient and the Recipient will pay to the Supplier, in addition to the GST exclusive consideration for the supply, an amount equal to the sum of:

- (a) the GST charged on the supply (GST Amount); plus
- (b) any penalty or interest levied against the Supplier under the GST Act and/or the Tax Administration Act 1994 (NZ) by reason of the non-payment or late payment of the GST payable in respect of that supply (**Default GST**). However, the Recipient is not liable for any Default GST that relates to the period after the date that the GST Amount plus any Default GST in respect of the GST Amount is paid in full by the Recipient to the Supplier.

For the avoidance of doubt, no amount on account of GST (including Default GST) will be or become payable by the Recipient to the Supplier unless the Supplier has first issued a tax invoice or debit note (as applicable).

- 9.5 **Net Down:** If an amount payable under or in connection with this agreement is calculated or determined by reference to an expense, cost, loss or outgoing of a party (**Relevant Expense**), the amount of the Relevant Expense for the purpose of calculating the payment is to be reduced by an amount equal to any input tax credit or (if applicable) any deduction from output tax the person (or, where that person is a member of a GST Group, the representative member of that group) is entitled to as a result of incurring the Relevant Expense.

## 10. NOTICES

- 10.1 **Notices:** Any notice, claim, demand or other communication given under or in connection with this agreement (**notice**) must be in writing signed by a person duly authorised by the sender of the notice.

- 10.2 **Address for Notices:** If any party wishes to give to or serve on another party any notice, the notice must be sent in one of the following ways:

- (a) Delivered to that party at its physical address and marked for the attention of the relevant individual (if any) set out below.
- (b) Emailed to that party at the email address and marked for the attention of the individual (if any) set out below.

**PMG Property Funds Management Limited**

Physical Address: C / - PMG Property Funds Management, Level 1, 143 Durham Street, Tauranga 3110

Email Address:

Attention: Scott McKenzie

**PMG Direct Childcare Fund**

Physical Address: C / - PMG Property Funds Management, Level 1, 143 Durham Street, Tauranga 3110

Email Address:

Attention: Wayne Beilby

- 10.3 **Change of Address:** If a party gives the other parties three (3) Business Days' notice of a change of its address or email in accordance with this clause 10, any notice is only given by the other parties if it is delivered to the updated address or sent to the updated email.

- 10.4 **Time of Service:** Any notice given pursuant to this agreement will be deemed to be validly given:

- (a) in the case of delivery by hand, on delivery at the address of the addressee provided at clause 10.2;
- (b) when sent by email, on the date and time at which it is sent, provided that the email was properly addressed and provided that the computer system used to transmit the communication has not generated a record that the communication has failed to be transmitted,

provided that any notice personally delivered or, in the case of an email sent or received, either after 5 pm on a Business Day or on any day that is not a Business Day will be deemed to have been received at 9 am on the next Business Day.

## 11. MISCELLANEOUS

- 11.1 **Non-merger:** Notwithstanding any rule of law to the contrary, none of the representations, undertakings, warranties and covenants contained in this agreement will merge or be extinguished upon Settlement but instead will continue to remain in full force and effect.
- 11.2 **Amendments and Waivers:** No supplement, modification or waiver of this agreement will be binding unless signed in writing by the parties to this agreement. No waiver of any of the provisions of this agreement will be deemed to constitute a waiver of any other provision (whether or not similar), nor will such waiver constitute a continuing waiver unless otherwise expressly provided.
- 11.3 **Confidentiality:** Each party must at all times keep confidential the terms of this agreement, and any information provided to it by the other parties in connection with performance of this agreement, except:
  - (a) where disclosure is necessary for the party to perform its obligations under this agreement; or
  - (b) where the other parties gives their prior written approval to the disclosure of the information (including as to form and content).
- 11.4 **Entire Agreement:** This agreement records the entire agreement between the parties concerning its subject and supersedes all prior agreements, understandings and discussions between the parties.
- 11.5 **Further Assurances:** Each party will promptly do every reasonable thing (including signing any documents) to complete its obligations under this agreement, and the intent of this agreement.
- 11.6 **No Assignment:** No party may directly or indirectly (including through change in ownership or control of an entity that is party to this agreement or by declaration of trust) assign or transfer any of its rights or benefits under this agreement.
- 11.7 **Counterparts:** This agreement may be executed in any number of counterparts (including scanned PDF counterpart), each of which will be deemed an original, but all of which together will constitute the same instrument. No counterpart will be effective until each party has executed at least one counterpart.
- 11.8 **Costs:** Each party will pay all fees and expenses incurred by that party in connection with this agreement and the transactions contemplated by this agreement (and for the avoidance of doubt DCF will be responsible for the costs of preparing the initial draft of this agreement).

## 12. LIMITATION OF LIABILITY


- 12.1 The parties acknowledge that PMG Direct Office Fund Trustees Limited (the “Custodian”) has entered into this agreement in its capacity as the custodian of DCF and not in its personal capacity and accordingly the parties agree, notwithstanding any other provision of this agreement, that the Custodian and Covenant Trustee Services Limited (as the supervisor of the Scheme and holding company of the Custodian) will not be personally liable under this agreement and that the liability of each will be limited to any assets of DCF from time to time held in its or their hands (as the case may be) that are available at law to meet that liability.
- 12.2 The parties acknowledge that the Custodian (in its capacity as the custodian of DCF) is generally obligated to act on the instructions of the Manager (in its capacity as the manager of DCF), except where any such act would be in breach of their respective obligations in relation to DCF, and that the Manager has instructed it to enter into this agreement and any actions taken by the Custodian under this agreement will generally only be taken on instructions from the Manager.

**SIGNED BY THE PARTIES**

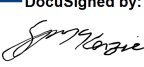
**SIGNED BY  
PMG PROPERTY FUNDS MANAGEMENT LIMITED**

by two of its directors:

Nigel Stanley Lowe  
(Name of Director)

DocuSigned by:  
  
242D1908F41044F...  
(Signature of Director)

Scott Cameron McKenzie  
(Name of Director)

DocuSigned by:  
  
DF327D6EC11A44F...  
(Signature of Director)

**SIGNED by  
PMG DIRECT CHILDCARE FUNDS TRUSTEES LIMITED**

by two of its directors:

Hrvoje Koprivic  
(Name of Director)

  
\_\_\_\_\_  
(Signature of Director)

Craig James Manley  
(Name of Director)

  
\_\_\_\_\_  
(Signature of Director)

## SCHEDULE TERMINATION EVENTS

1. **Withdrawal:** The Manager withdraws the Offer or withdraws the Offer Document or any invitation to apply for Offer Units under the Offer Document.
2. **Information Materials\*:** A statement contained in the Offer Document is or becomes false, misleading or deceptive (including by omission) or likely to mislead or deceive (including by omission) or the Offer Document omits any information it is required to contain (having regard to any applicable requirements), in any such case which is material.
3. **Offer to comply:** The Offer Document or any advertisement released in connection with the Offer or any aspect of the Offer does not or fails to comply with the FMCA, the Financial Markets Conduct Regulations 2014 or any other applicable law or regulation.
4. **Notifications:** Prior to the Offer Settlement Date, any regulatory body having jurisdiction in respect of the Offer:
  - (a) issues an order suspending or cancelling the issue or use of Offer Document, or prevents the Manager or DCF from issuing the Offer Document, or the Units (including, without limitation, a stop order received from the FMA under Part 8 of the FMCA); or
  - (b) prosecutes or gives notice of an intention to prosecute, or commences proceedings against, or gives notice of an intention to commence proceedings against, or commences or gives notice of an intention to commence any inquiry or investigation against the Manager or any of its representatives in relation to the Offer.
5. **Legal Proceedings:** any of the following occurs:
  - (a) the commencement of legal proceedings against the Manager or against any director of the Manager in that capacity; or
  - (b) any regulatory body commences any enquiry or public action against the Manager.
6. **Termination of Sale and Purchase Agreement:** The Sale and Purchase Agreement in relation to the acquisition of the Acquisition Property as described in the Offer Document is terminated, for any reason whatsoever.
7. **Existing Debt Financing\*:** DCF's financiers withdraw funding in connection with the acquisition of the property described in the Offer Document or a material breach of, or non-compliance with the terms of such funding arrangements occurs or the Manager becomes aware of any facts or circumstances which might give rise to such a breach or event occurring.
8. **Unable to Issue:** The Manager is prevented from issuing the Offer Units by or in accordance with applicable laws, or by a government agency or an order of a court of competent jurisdiction.
9. **Material Adverse Event:** A Material Adverse Event occurs.
10. **Illegality or Force Majeure\*:** There is an event or occurrence, including any official directive or request (whether or not having the force of law but, if not having the force of law, compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any government agency, which makes it illegal for any party to satisfy, or as a result of which any party is prevented from, or delayed in performing, an obligation under this agreement or to market, promote or settle the Offer, and that is beyond the reasonable control of any party, including without limitation, natural forces, civil unrest or other civil disturbance, currency restriction, embargo, action or inaction by a government agency or any other event similar to those noted above.