



Precinct Properties Group Stapling Deed

Precinct Properties New Zealand Limited
(*Precinct*)

Precinct Properties Investments Limited
(*Precinct Investments*)



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STAPLING DEED

Date: 7 June 2023

PARTIES

Precinct Properties New Zealand Limited (*Precinct*)

Precinct Properties Investments Limited (*Precinct Investments*)

BACKGROUND

- A Precinct is the issuer of the Precinct Shares.
- B Precinct Investments is the issuer of Precinct Investments Shares.
- C The Precinct Constitution and Precinct Investments Constitution intended to be adopted on the Stapling Effective Date each provide for Stapling.
- D This Deed sets out the terms and conditions of the relationship between Precinct and Precinct Investments in respect of Precinct Shares and Precinct Investments Shares for so long as they remain Stapled.

BY THIS DEED the parties agree as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed, unless the context otherwise requires:

Business Day means a day on which the NZX Main Board is open for trading;

Companies Act means the Companies Act 1993;

Constitution means the Precinct Constitution and/or Precinct Investments Constitution as the case may be;

Expert has the meaning defined in clause 6.3;

Explanatory Memorandum means the explanatory memorandum and notice of meeting sent to Precinct Shareholders and to NZX describing the Stapling, dated 18 April 2023;

Financial Product has the meaning given in the Listing Rules;

FMC Act means the Financial Markets Conduct Act 2013;

Government Agency means any government or any public, statutory, governmental (including a local authority), semi-governmental, local government or judicial body, entity, department or authority, any self-regulatory organisation established under statute, or any other body that has legal power to require another person to act or not act in a particular way or to authorise a particular act in any part of the world;



Holder means a person who is shown on the Stapled Security Register as being the holder of a Stapled Security;

Listed has the meaning given to that term in the Listing Rules;

Listing Rules means the NZX Listing Rules in force from time to time having regard to any Waivers;

Management Agreement means the investment management agreement between Precinct and the Manager dated on or about the date of this Deed, under the terms of which Precinct Investments has agreed to manage Precinct and its property portfolio;

Manager means Precinct Properties Management Limited;

NZGAAP means generally accepted accounting practice in New Zealand;

NZX means NZX Limited and includes its predecessors, successors and assigns and as the context permits includes any duly authorised delegate of NZX (including NZ Markets Disciplinary Tribunal);

NZX Main Board means the main board equity securities market operated by NZX;

Precinct means Precinct Properties New Zealand Limited;

Precinct Constitution means the constitution for Precinct, and includes any amendment or replacement of it;

Precinct Investments Constitution means the constitution for Precinct Investments, and includes any amendment or replacement of it;

Precinct Investments Share means an ordinary share in the capital of Precinct Investments;

Precinct Properties Group means, collectively, Precinct, Precinct Investments and each of their respective Subsidiaries, and Group Member means any one or more of them;

Precinct Share means an ordinary share in the capital of Precinct.

Shareholder means a person registered as the holder of either a Precinct Share or a Precinct Investments Share including any persons jointly registered as the holder of either a Precinct Share or a Precinct Investments Share;

Special Resolution means a resolution approved by a majority of 75% or more of the votes of those Shareholders entitled to vote and voting on the resolution;

Stapled means the linking together of a Precinct Share and a Precinct Investments Share so that one may not be transferred or otherwise dealt with without the other, and that are quoted on the NZX Main Board as a "Stapled Security" or any other term as NZX permits;



Stapled Security means one Precinct Share and one Precinct Investments Share that are Stapled together and registered in the name of the Holder. Each reference to a Stapled Security in this Deed is taken to refer to one Precinct Share and one Precinct Investments Share in their legal capacity as separate Financial Products, but which are traded together following Stapling;

Stapled Security Register means the register of Stapled Securities to be established and maintained in accordance with clause 7 of this Deed;

Stapling means the linking process that results in each Precinct Share and each Precinct Investments Share (or any other Financial Products issued by Precinct and Precinct Investments that are agreed to be linked) being and remaining Stapled to each other;

Stapling Effective Date means such date, as determined by Precinct and Precinct Investments and announced through NZX, as being the date on which Stapling becomes effective;

Subsidiary has the meaning given to that term under Listing Rule 1.6;

Tax Ruling means the binding tax ruling issued to Precinct by Inland Revenue (dated 11 April 2023);

Unstapled means, in relation to a Precinct Share, that Precinct Share no longer being Stapled to a Precinct Investments Share, and vice versa;

Unstapling means the process that results in the Stapled Securities no longer being Stapled; and

Waivers means the rulings and/or waivers granted by NZX in respect of Stapled Securities, Precinct Properties Group or any Group Member, as varied or issued from time to time.

1.2 **Defined terms**

Unless expressly provided in this Deed, terms defined in the Companies Act or the Listing Rules have the same meaning in this Deed.

1.3 **Construction**

In the construction of this Deed, unless the context requires otherwise:

Business Days: anything required by this Deed to be done on a day which is not a Business Day may be done effectually on the next Business Day;

Clauses: a reference to a clause is to a clause of this Deed;

Currency: a reference to any monetary amount is to New Zealand currency;

Defined Terms: words or phrases appearing in this Deed with capitalised initial letters are defined terms and have the meanings given to them in this Deed;

Documents: a reference to any document, including this Deed, includes a reference to that document as amended or replaced from time to time;



Headings: headings appear as a matter of convenience and do not affect the construction of this Deed;

Negative Obligations: a reference to a prohibition against doing any thing includes a reference to not permitting, suffering or causing that thing to be done;

No Contra Proferentem Construction: the rule of construction known as the contra proferentem rule does not apply to this Deed;

Parties: a reference to a party to this Deed or any other document includes that party's personal representatives/successors and permitted assigns;

Related Terms: where a word or expression is defined in this Deed, other parts of speech and grammatical forms of that word or expression have corresponding meanings;

Singular, Plural and Gender: the singular includes the plural and vice versa, and words importing one gender include the other genders;

Statutes and Regulations: a reference to an enactment or any regulations is a reference to that enactment or those regulations as amended, or to any enactment or regulations substituted for that enactment or those regulations;

Time: a reference to time is to New Zealand time;

Writing: a reference to "written" or "in writing" includes all modes of presenting or reproducing words, figures and symbols in a tangible and permanently visible form;

2 **OBJECTIVES AND GENERAL OBLIGATIONS**

2.1 **Objectives**

The primary objectives of Precinct and Precinct Investments in entering into this Deed are to:

- (a) provide for their ongoing relationship as companies whose ordinary shares are Stapled so that they form a single Stapled group, with common shareholders who at all times each hold the same number of shares in each company;
- (b) maintain the Listing of each of them, and the quotation of Stapled Securities as a single tradeable security, on the NZX Main Board;
- (c) to mitigate any potential adverse tax consequences for Precinct and Precinct Investments, including from non-compliance with the Tax Ruling and/or any future taxation ruling, and/or any other Inland Revenue correspondence, instruction or guidance, and/or any applicable taxation laws;
- (d) ensure that each of them is able to conduct its business in accordance with the strategies and plans set by its board of directors; and
- (e) maximise the sustainable value of Precinct Properties Group.



2.2 **Good Faith**

To fulfil the objectives specified in clause 2.1, Precinct and Precinct Investments each undertake to the other to:

- (a) act in good faith, and cooperate with each other, in relation to all matters concerning the affairs and activities of Precinct Properties Group and each Group Member;
- (b) do or cause to be done all acts reasonably necessary or desirable for the implementation of this Deed and Stapling;
- (c) not unreasonably delay any action, approval, direction, determination or decision required under this Deed; and
- (d) act in good faith to achieve, to the extent possible and permitted by law or regulation, the intended objectives of the provisions of this Deed.

2.3 **Amendment**

If and when a Constitution or this Deed is required to be amended in order to comply with any mandatory provision of the Companies Act, or other applicable law, or the Listing Rules, the parties shall cooperate to incorporate such amendments to the Constitutions or to this Deed as may be necessary to preserve, to the fullest extent permissible under the Companies Act, the Listing Rules or other applicable law, the intent of this Deed and such rights and interests as are granted to the Shareholders, under the relevant Constitution and this Deed.

3 **STAPLED SECURITIES**

3.1 **Precinct Shares and Precinct Investments Shares to be Stapled**

- (a) On and from the Stapling Effective Date:
 - (i) each Precinct Share and Precinct Investments Share must be Stapled;
 - (ii) Precinct must not issue a Precinct Share unless a Precinct Investments Share is also issued by Precinct Investments at the same time and to the same person;
 - (iii) Precinct Investments must not issue a Precinct Investments Share unless a Precinct Share is also issued by Precinct at the same time and to the same person; and
 - (iv) each of Precinct and Precinct Investments must not issue any Financial Product (other than a Precinct Share or a Precinct Investments Share that is issued in accordance with the provisions of this Deed), or any right or option to acquire a Financial Product (including, for the avoidance of doubt, a right or option to acquire a Precinct Share or a Precinct Investments Share) without the prior agreement of the other party to the proposed issue and the terms on which such Financial Product, or right or option, is to be issued (which agreement cannot be unreasonably withheld).



- (b) Each Precinct Share and Precinct Investments Share must on issue, be Stapled.

3.2 Dealings in Stapled Securities

- (a) **Compliance with law and taxation rulings**

Notwithstanding any other provision of this Deed, neither party is obliged to buy-back, cancel, redeem, transfer or issue any shares, or take any other corporate action affecting its shares if doing so would be inconsistent with its Constitution, or any contractual or fiduciary obligation or law by which it is bound (including taxation law), or would result in non-compliance with the Tax Ruling (and/or future taxation rulings), or if it does not have any necessary consent or approval to do so.

- (b) **Forfeiture**

If a Precinct Share or a Precinct Investments Share is to be sold by Precinct or Precinct Investments (as the case may be) pursuant to a power of sale contained in the relevant Constitution, the parties will take such steps as are necessary, subject to applicable law and the Listing Rules, to ensure that the Precinct Share or a Precinct Investments Share (as the case may be) to which it is Stapled is also sold so that the Precinct Share and Precinct Investments Share are sold as part of a Stapled Security.

- (c) **No Unstapling**

On and from the Stapling Effective Date, Precinct and Precinct Investments must not:

- (i) do any act, matter or thing (including registering any transfer of any Precinct Share, Precinct Investments Share or other Financial Product that is Stapled); or
- (ii) refrain from doing any act, matter or thing,

if to do so or refrain from doing so would result directly or indirectly in any Precinct Share or any Precinct Investments Share no longer being Stapled, other than in accordance with clause 8 of this Deed.

- (d) **Precinct Investments Shares**

On and from the Stapling Effective Date, Precinct Investments must not:

- (i) issue, sell or transfer a Precinct Investments Share to any person unless:
 - (A) a Precinct Share is also issued, sold or transferred to that person by Precinct at the same time; and
 - (B) that Precinct Investments Share is Stapled, on issue, to the Precinct Share issued by Precinct in accordance with clause 3.2(d)(i)(A) to form a Stapled Security; and
 - (C) the price at which that Precinct Investments Share is to be issued, sold or transferred has been agreed between Precinct and Precinct Investments (both parties acting reasonably) on the



basis of the market price of the Stapled Securities (rather than the value of that Precinct Investments Share);

- (ii) offer any Precinct Investments Shares for issue or sale unless the terms of that offer require each person applying for or accepting Precinct Investments Shares under it to apply also for or accept such number of Precinct Shares as is equal to the number of Precinct Investments Shares being issued or sold to that person under the offer; or
 - (iii) cancel, buy-back or redeem a Precinct Investments Share unless there is at the same time a corresponding cancellation, buy-back or redemption by Precinct of the Precinct Share, or other Financial Product issued by Precinct, to which that Precinct Investments Share or other Financial Product is Stapled; or
 - (iv) offer to buy back a Precinct Investments Share unless the terms of the buyback and the price at which Precinct Investments Share is to be bought back (which price is to be determined on the basis of the then market price of the Stapled Securities rather than the value of Precinct Investments Shares) have been agreed between Precinct Investments and Precinct (both parties acting reasonably);
 - (v) register a transfer of a Precinct Investments Share or other Financial Product issued by it unless the Precinct Share or other Financial Product issued by Precinct to which that Precinct Investments Share or other Financial Product is Stapled is also transferred to the same person at the same time.
- (e) **Precinct Shares**
On and from the Stapling Effective Date, Precinct must not:
- (i) issue, sell or transfer a Precinct Share to any person unless:
 - (A) a Precinct Investments Share is also issued, sold or transferred to that person by Manager at the same time; and
 - (B) that Precinct Share is Stapled, on issue, to Precinct Investments Share issued by Precinct Investments in accordance with clause 3.2(e)(i)(A) to form a Stapled Security; and
 - (C) the price at which that Precinct Share is to be issued, sold or transferred has been agreed between Precinct Investments and Precinct (both parties acting reasonably) on the basis of the market price of the Stapled Securities (rather than the value of that Precinct Share) unless the Precinct Share is being issued in accordance with the terms of a right or option, that was on issue as at the Effective Date on the exercise of that right or option;
 - (ii) offer any Precinct Shares for issue or sale unless the terms of that offer require each person applying for or accepting Precinct Shares under it to apply also for or accept such number of Precinct Investments Shares as is equal to the number of Precinct Shares being issued or sold to that person under the offer; or



- (iii) cancel, buy-back or redeem a Precinct Share unless there is at the same time a corresponding cancellation, buy-back or redemption by Precinct Investments of Precinct Investments Share, or other Financial Product issued by it, to which that Precinct Share or other Financial Product is Stapled; or
- (iv) offer to buy back a Precinct Investments Share unless the terms of the buyback and the price at which the Precinct Share is to be bought back (which price is to be determined on the basis of the then market price of the Stapled Securities rather than the value of the Precinct Shares) have been agreed between Precinct and Precinct Investments (both parties acting reasonably);
- (v) register a transfer of a Precinct Share or other Financial Product issued by it to any person unless Precinct Investments Share or other Financial Product issued by Precinct Investments to which that Precinct Share or other Financial Product is Stapled is also transferred to the same person at the same time.

3.3 **Quotation**

Unless and until Stapled Securities are Unstapled in accordance with this Deed, the parties must use reasonable endeavours to ensure that each Stapled Security which is listed for quotation on the NZX Main Board continues to be listed and quoted as a Stapled Security.

3.4 **Joint holding statements**

Precinct and Precinct Investments must procure that joint holding statements are issued to each Holder.

3.5 **Separate legal entities**

Notwithstanding any other provision of this Deed, each of Precinct and Precinct Investments will remain as separate legal entities and will be separately admitted to Listing on the NZX Main Board, notwithstanding that their respective ordinary shares will be jointly quoted on the NZX Main Board as Stapled Securities.

3.6 **No joint venture or partnership**

Nothing contained in this Deed is to be construed (expressly or impliedly) as creating an association, joint venture or partnership between Precinct Investments and Precinct.

4 **COOPERATION**

4.1 **Cooperation**

To the maximum extent permitted by law, Precinct and Precinct Investments must cooperate with each other in respect of all matters relating to the Stapled Securities and Stapling, and must do all things necessary to give effect to this Deed, including with a view to ensuring that Precinct and Precinct Investments:

(a) **Accounting policies**

Adopt consistent accounting policies that, at all times, comply with all applicable financial reporting standards and legislation and NZGAAP;



- (b) **Auditor**
Maintain the same auditor or agree on any change of auditor so that any change of auditor is implemented for both Precinct and Precinct Investments at the same time;
- (c) **Boards**
Have, to the extent permitted by the Companies Act and the Listing Rules, boards of directors which are identical, including by taking steps to ensure this structure is maintained;
- (d) **Corporate Actions**
Agree on the terms, conditions and timing of all:
- (i) new issues (including under public offers, bonus or rights issues, placements or issues under dividend reinvestment plans); or
 - (ii) redemptions, buy-backs or cancellations,
- of Precinct Shares or Precinct Investments Shares (or other Financial Products or rights or options to acquire Precinct Shares or Precinct Investments Shares that are, or are to be, Stapled);
- (e) **Development of business**
Develop, to the extent possible, Precinct Investments's real estate investment management business, by acquiring and holding assets and underwriting and investing in products developed by Precinct Investments, where agreed with Precinct Investments;
- (f) **Distribution**
Co-ordinate the declaration, announcement and payment of dividends and other distributions;
- (g) **Dividend Reinvestment Plan**
Co-ordinate in relation to the adoption and implementation of a dividend reinvestment plan by either party;
- (h) **Employee Share Scheme**
Cooperate in relation to the adoption and implementation of any employee share scheme;
- (i) to be offered to any employees of Precinct Properties Group; and/or
 - (ii) offered to any person prior to the date of this Deed and applicable to Precinct or Precinct Investments such that any entitlement to Precinct Shares or Precinct Investments Shares in accordance with the terms of that employee share scheme will be an entitlement to be issued Stapled Securities and each of Precinct and Precinct Investments will issue such numbers of shares as may be required to achieve this;
- (i) **Management Agreement**
Comply (and in the case of Precinct Investments, procure the Manager to comply) with their respective obligations under the Management Agreement;



- (j) **Meetings**
Where appropriate or possible, hold Shareholder meetings concurrently or consecutively;
- (k) **NZX**
 - (i) Comply with their obligations under the Listing Rules, including the terms of any Waivers; and
 - (ii) Co-ordinate the disclosures they are required to make to NZX and/or Holders by law or the Listing Rules;
- (l) **Objectives**
Achieve the objectives set out at clause 2.1 of this Deed;
- (m) **Taxation**
Comply with all applicable taxation laws, including to ensure Precinct's continuing taxation status as a Portfolio Investment Entity by refraining from doing any act, matter or thing that would compromise compliance with the terms and conditions of:
 - (i) the Tax Ruling; and
 - (ii) any future taxation ruling, or similar; and
 - (iii) any other Inland Revenue correspondence, instruction or guidance;
- (n) **Valuation policies**
Adopt consistent valuation policies to the extent applicable; and
- (o) **Value of Stapled Securities**
Consult with each other before taking (or omitting to take) any action which may materially affect the value of the Stapled Securities.

4.2 Information

- (a) **Disclosure between the parties**
Precinct and Precinct Investments agree that they will make available to each other all information which may be necessary or desirable to enable them to meet their respective obligations under this Deed, the Listing Rules (including in respect of continuous disclosure), the FMC Act, and any other applicable legislation or any other document, deed or arrangement entered into by them in connection with the Stapling or Stapled Securities.
- (b) **Accounts**
Precinct and Precinct Investments agree that they will make available to each other all accounting and financial records kept by them and will prepare group accounts for Precinct Properties Group, which group accounts will be prepared as an aggregation of the consolidated financial statements of Precinct Properties Group. The group accounts will, if applicable accounting standards permit, treat the entities as combined. Precinct and Precinct Investments will cooperate with each other to allow the proper preparation, audit and registration by each of them of all other required financial statements.



(c) **Information to Holders**

Precinct and Precinct Investments must make available to each other all information and provide all assistance to enable the provision to Holders and/or Shareholders of all half-year and annual reports and any other report or information that is required to be provided or disclosed to them by law or under the Listing Rules or which either of them reasonably considers is desirable to provide to the Holders or their respective Shareholders.

(d) **Confidentiality**

Each of Precinct and Precinct Investments must keep confidential any information obtained concerning the affairs or assets of each other and not disclose it other than:

- (i) with the prior written consent of the other party (which consent shall not be unreasonably withheld or delayed);
- (ii) if it is required to do so by law or under the Listing Rules, or by any Government Agency or by NZX;
- (iii) if the information is generally available to the public or subsequently becomes so, other than by a breach of this Deed; and
- (iv) to the party's professional advisers.

(e) **Winding up**

On or before commencement of a winding up of either Precinct or Precinct Investments, or on receiving notice of an application for an order that the relevant company be wound up, the relevant party must give the other party written notice that it is to be, or that an application has been made for an order that it be, wound up.

4.3 **Restructuring**

- (a) Neither Precinct nor Precinct Investments may reorganise or restructure its capital without the consent of the other party (which consent may not be unreasonably withheld) and their respective Shareholders approving, by Special Resolution, any amendments required to be made to their Constitutions to give effect to any such reorganisation or restructuring.
- (b) Precinct and Precinct Investments may by agreement change the Stapling arrangements contemplated by this Deed in order to comply with any law, regulation or rule or to otherwise overcome the adverse effect of any law, regulation or rule, and make such changes to this Deed as may be reasonably required as a consequence of, or to give effect to, any such change subject to their Shareholders approving, by Special Resolution, any amendments that are required to be made to their respective Constitutions to give effect to any such changes. For avoidance of doubt this includes changes to the Stapling arrangements necessary to comply with any taxation ruling and/or any other Inland Revenue correspondence, instruction or guidance.

4.4 **Apportionment of costs**

- (a) If either Precinct or Precinct Investments incurs costs for or on behalf or for the benefit of Precinct Properties Group, that party may seek reimbursement



for those costs (*Reimbursement Costs*) from the other party by providing an invoice of the Reimbursement Costs to the other party.

- (b) Unless otherwise agreed, any Reimbursement Costs will be apportioned between the parties on a basis that ensures they are charged to the party that benefits from the provision of the relevant goods or services on an arm's length basis and must in any event be apportioned in a manner that complies with the terms and conditions of the Tax Ruling and/or any future taxation ruling, and/or any other Inland Revenue correspondence, instruction or guidance, and/or any other applicable taxation laws.

4.5 **Arm's-length terms**

Precinct and Precinct Investments agree that all dealings between Precinct and Precinct Investments and their respective Subsidiaries will be on arm's-length, commercially reasonable, terms unless their respective boards of directors determine otherwise or their respective Shareholders approve such terms by ordinary (or if necessary under the Companies Act, special) resolution.

5 **BORROWING**

5.1 **Borrowing**

Neither Precinct nor Precinct Investments (the *Borrower*) can require the other party to:

- (a) grant or procure that any of its Subsidiaries grant any security, charge, encumbrance or mortgage over its assets, property or undertaking in connection with any borrowing by or other financial accommodation provided to or for the benefit of the Borrower or any of its Subsidiaries;
- (b) enter into any covenant, undertaking, restraint, or pledge at the request of the Borrower including, without limitation, a negative pledge on the obtaining of financial accommodation by it or any of its Subsidiaries
- (c) issue redeemable preference shares or any other form of securities (including any securities that meet the definition of "share" under taxation laws) to, or at the direction of, the Borrower;
- (d) enter into any joint borrowing or joint financial accommodation with the Borrower or, any Subsidiary of the Borrower or any other person whether or not that person is a Group Member, or provide any guarantee, security, indemnity and undertaking in connection with any such joint borrowing or other joint financial accommodation; or
- (e) guarantee the obligations of or provide an indemnity or undertaking to a third party in respect of the obligations of the Borrower or any of its Subsidiaries or any other person whether or not that person is a Group Member in respect of any borrowing by or financial accommodation provided to the Borrower or any of its Subsidiaries,

without its consent, which consent may be withheld if:

- (f) in its opinion doing so would not be its best interests or the best interests of its Subsidiaries; or



- (g) doing so would cause it to breach any contractual obligation to a third party entered into prior to the date of this Deed or entered into subsequent to the date of this Deed with the consent of the Borrower; or
- (h) it cannot reasonably comply with the Borrower's request.

5.2 **Joint borrowing**

If any loan or other financial accommodation is undertaken jointly by Precinct and Precinct Investments, then, unless on or prior to entry into the loan or financial accommodation Precinct and Precinct Investments agree otherwise, the party that receives the proceeds of the borrowing or other financial accommodation must:

- (a) repay the loan or financial accommodation; and
- (b) pay all fees, interest, expenses and other amounts in respect of the loan or financial accommodation,

or, where the proceeds of the borrowing or other financial accommodation are paid to one or more of that party's Subsidiaries, procure that each such Subsidiary complies with paragraphs (a) and (b) of this clause.

6 **ALLOCATION OF PRICE**

6.1 **Issue Price**

- (a) In the event that Precinct or Precinct Investments (the *Capital Raising Party*) intends to undertake an issue of ordinary shares to raise capital for its own purposes, it shall be entitled to require the other (the *Cooperating Party*) to participate in the issue on the following basis:
 - (i) the Cooperating Party will issue ordinary shares for no consideration and in the same numbers and to the same persons as ordinary shares are being issued by the Capital Raising Party;
 - (ii) the ordinary shares issued by each of them will, on issue, become Stapled Securities and together comprised a Stapled Security; and
 - (iii) the gross proceeds of issue will be payable to the Capital Raising Party.
- (b) Each Group Member will participate in all steps reasonably required for any such issue of shares, including in the preparation of a product disclosure statement, a limited disclosure document or offer document for an excluded offering under the FMC Act.
- (c) In the event that Precinct and Precinct Investments wish to undertake a joint offer and issue of Precinct Shares and Precinct Investments Shares as Stapled Securities, they must agree (both parties acting reasonably) prior to commencing the joint offer what parts of the amount payable for the issue of those Stapled Securities are to represent the issue price of the Precinct Shares and Precinct Investments Shares, respectively, which allocation is to be agreed between them on the basis of the respective fair values of the Precinct Shares and Precinct Investments Shares.



6.2 Joint buyback

In the event that Precinct and Precinct Investments wish to undertake a joint buyback of Precinct Shares and Precinct Investments Shares as Stapled Securities, they must agree prior to making the joint buyback offer (both parties acting reasonably), what parts of the amount payable for the buy-back of each Stapled Security are to represent the buy-back price of each Precinct Share and each Precinct Investments Share bought back, which allocation is to be agreed between them.

6.3 Expert to resolve dispute

- (a) If the parties are unable to reach agreement under clause 6.1 or 6.2 within five Business Days after either of them notifies the other that an agreement must be reached, an independent expert nominated by Precinct Investments and approved by Precinct (acting reasonably) (the *Expert*) must be instructed within 10 days after the provision of the notice to determine the allocation of the issue or buy-back price between the Precinct Shares and Precinct Investments Shares being issued or brought back (as the case may be). The allocation shall be based on fair market value as determined by the Expert, having regard to the net asset value of each Precinct Share and Precinct Investments Share at that time and any other factors which the Expert reasonably believes should be taken into account.
- (b) The Expert's decision is, in the absence of manifest error, binding on the parties.
- (c) If no agreement is reached on the appointment of an expert, either party may apply to the president for the time being of the New Zealand Law Society for the appointment of the Expert under this clause 6.3.
- (d) When determining the allocation of the issue, or buy-back price under this clause, the expert shall act as an expert and not as an arbitrator and the reference of the question of the allocation shall not be a submission to arbitration for the purposes of the Arbitration Act 1996 and the provisions of the Arbitration Act 1996 will not govern that referral.

7 REGISTERS

7.1 Stapled Securities Register

- (a) Precinct and Precinct Investments must maintain, or procure the maintenance, of a register of Stapled Securities (the *Stapled Securities Register*) and for that purpose appoint a common registrar by agreement between them.
- (b) Full details of:
 - (i) the Stapled Securities and all dealings in those Stapled Securities; and
 - (ii) the Precinct Shares and Precinct Investments Shares which comprise the Stapled Securities and dealings in those Precinct Shares and Precinct Investments Shares,

must be entered in the Stapled Securities Register.



7.2 **Registers must be consistent**

Precinct and Precinct Investments must ensure that their respective Shareholder registers are entirely consistent with each other.

8 **UNSTAPLING**

8.1 **Procedure for Unstapling**

(a) From the Stapling Effective Date, all Precinct Shares and Precinct Investments Shares will remain Stapled to each other for so long as the Stapled Securities remain on issue, unless:

- (i) otherwise determined by Special Resolutions of the Shareholders of both Precinct and Precinct Investments; or
- (ii) an administrator, manager, receiver, liquidator or similar officer is appointed to Precinct and Precinct Investments or its respective property (as the case may be) and its board of directors resolves that the Stapling Provisions (as that term is defined in the Constitution) will cease to apply or be suspended (as the case may be); or
- (iii) Stapling becomes unlawful or prohibited by the Companies Act, the FMC Act or the Listing Rules or Unstapling is necessary due to a change in taxation law or in order to comply with a taxation ruling and/or any other Inland Revenue correspondence, instruction or guidance and its board of directors resolves that the Stapling Provisions (as that term is defined in the Constitution) will cease to apply or be suspended (as the case may be).

(b) On and from such date as may be determined under clause 8.1(a):

- (i) Precinct and Precinct Investments must procure that the Precinct Shares and Precinct Investments Shares, and any other Financial Products issued by them that are Stapled to each other under and in accordance with this Deed, are Unstapled; and
- (ii) except in relation to the ongoing obligations under clauses 4.2(d) and 8.2, this Deed ceases to be of any force or effect.

8.2 **Consequences of Unstapling**

Following the Unstapling of the Precinct Shares and Precinct Investments Shares:

(a) Precinct must promptly (unless Precinct Investments otherwise agrees):

- (i) repay any outstanding amount under any loan given to Precinct by Precinct Investments prior to Unstapling;
- (ii) pay any outstanding amounts which the relevant parties have agreed is the responsibility of Precinct to repay;
- (iii) obtain a release of Precinct Investments from any guarantee given by Precinct Investments to any person in respect of any liability of Precinct; and



- (iv) assess and comply with tax obligations (if any) arising from the actions listed in (i) to (iii) above.
- (b) Precinct Investments must promptly (unless Precinct otherwise agrees):
 - (i) repay any outstanding amount under any loan given to Precinct Investments by Precinct prior to Unstapling;
 - (ii) pay any outstanding amounts which the relevant parties have agreed is the responsibility of Precinct Investments to repay;
 - (iii) obtain a release of Precinct from any guarantee given by Precinct to any person in respect of any liability of Precinct Investments; and
 - (iv) assess and comply with tax obligations (if any) arising from the actions listed in (i) to (iii) above.

9 **ADDITIONAL DUTIES AND OBLIGATIONS**

9.1 **Documents**

Each of Precinct and Precinct Investments must at all times:

- (a) perform and comply with their duties and obligations under their respective Constitutions and this Deed;
- (b) subject to those duties and obligations, perform and comply with their duties and obligations under any other deed or agreement to which either of them is a party relating to Stapling or the Stapled Securities; and
- (c) comply with the terms and conditions of the Tax Ruling and/or any future taxation ruling and/or any other Inland Revenue correspondence, instruction or guidance and/or any applicable taxation laws.

10 **COMMON DIRECTORSHIPS**

- (a) Both Precinct and Precinct Investments agree that it is in the best interests of Shareholders that they have common directors to facilitate cooperation and consultation between Precinct and Precinct Investments as contemplated by this Deed and to ensure that Stapling is given effect in the manner contemplated by this Deed.
- (b) To the extent permitted by the Companies Act and the Listing Rules, Precinct Investments shall ensure that its Board is comprised at all times of the same persons who are elected or appointed as directors of Precinct and that any director of Precinct who ceases to hold office also ceases to hold office as a director of Precinct Investments. Each of Precinct and Precinct Investments agree that each will take all steps necessary to ensure that the common director structure is maintained (to the maximum extent possible).



11 **INCONSISTENCY**

11.1 **Precinct Constitution**

- (a) Nothing in this Deed shall be taken to amend or alter the Precinct Constitution.
- (b) If there is any inconsistency between the obligations of Precinct under this Deed and the Precinct Constitution:
 - (i) the provisions of the Precinct Constitution apply to the extent of the inconsistency; and
 - (ii) Precinct will endeavour to remove the inconsistency by amending its Constitution at its next annual meeting of Shareholders by proposing to Shareholders at that meeting that they approve the necessary amendments to its Constitution by Special Resolution.

11.2 **Precinct Investments Constitution**

- (a) Nothing in this Deed shall be taken to amend or alter Precinct Investments Constitution.
- (b) If there is any inconsistency between the obligations of Precinct Investments under this Deed and Precinct Investments Constitution:
 - (i) the provisions of Precinct Investments Constitution apply to the extent of the inconsistency; and
 - (ii) Precinct Investments will endeavour to remove the inconsistency by amending its Constitution at its next annual meeting of Shareholders by proposing to Shareholders at that meeting that they approve the necessary amendments to its Constitution by Special Resolution.

12 **ISSUE OF FINANCIAL PRODUCTS OTHER THAN PRECINCT SHARES AND PRECINCT INVESTMENTS SHARES**

If:

- (a) Precinct or Precinct Investments intends issuing any Financial Products other than Precinct Shares or Precinct Investments Shares (as the case may be) with the agreement of the other party under clause 3.1(a)(iv) of this Deed; and
- (b) the parties have agreed that those Financial Products are to be Stapled (on the same basis as the Precinct Shares and Precinct Investments Shares are Stapled) to Financial Products of the same class to be issued by the other party to form a Stapled Security,

then:

- (c) prior to proceeding with the issue of those Financial Products, Precinct and Precinct Investments will assess the impact of the new issue and such Stapling on their respective taxation status (including compliance with the



terms and conditions of the Tax Ruling and/or any other taxation ruling and/or any other Inland Revenue correspondence, instruction or guidance) and carry out such steps as may be necessary to mitigate any potential adverse tax outcomes for either of them;

- (d) all of the provisions of this Deed are to apply to those Financial Products for so long as they are Stapled, with such amendments as may be necessary to reflect the terms of issue or nature of the Financial Products; and
- (e) to the extent possible and practicable, the terms of issue of those Financial Products will incorporate (with such amendments as may be necessary or appropriate) clauses 3.1, 3.2 and 8.1 of this Deed.

13 **DISPUTE RESOLUTION**

13.1 **Notice**

If there is a dispute between the parties arising out of or in connection with this Deed (Dispute), the party claiming that a Dispute has arisen must notify the other party giving details of the Dispute.

13.2 **Best efforts to resolve**

The parties must use their best endeavours to resolve the Dispute within 10 Business Days of providing or receiving notice under clause 13.1, or such longer period as agreed in writing by the parties.

13.3 **Negotiate in good faith**

If the parties do not resolve the Dispute under clause 13.2, a subcommittee of the Board of each party (Representatives) must negotiate in good faith to resolve the dispute for a period of up to 10 Business Days after the end of the period referred to in clause 13.2.

13.4 **Arbitration for Dispute**

(a) **Matter referred for arbitration**

In the case of a Dispute, if the Representatives have not met within 20 business days after the end of the period referred to in clause 13.2, or if they fail to reach a common decision within the stated time period, either party may by notice in writing to the other party refer the Dispute to be determined by arbitration in accordance with this clause 13.4

(b) **Terms of arbitration**

Any Disputes which have been referred to arbitration in accordance with clause 13.4(a) will be finally settled by arbitration in Auckland, New Zealand by one arbitrator who, for the purposes of the arbitration, will apply substantive New Zealand law and who will be appointed and will proceed in accordance with the Arbitration Act 1996 of New Zealand as the exclusive means of resolving such disputes.

(c) **Appointment of arbitrator**

For purposes of appointing such arbitrator, the parties will jointly appoint the arbitrator or, failing agreement within 30 days, in accordance with the Arbitration Act 1996 of New Zealand.

(d) **Language**

All submissions and awards in relation to arbitration under this Agreement will be made in English and all arbitration proceedings and all pleadings will be in English.

(e) **Award final and not subject to appeal**

Any award will be final and not subject to appeal and the parties waive all rights to challenge any award by the arbitrators under this clause 13.4.

13.5 **Court proceedings**

Neither party shall commence court proceedings in connection with a Dispute arising out of this Deed unless it first complies with this clause 13.4, except:

- (a) where a party seeks urgent injunctive relief; or
- (b) where the Dispute relates to compliance with this clause 13.

14 **NOTICES**14.1 **Notice**

Any notice or other communication (including any request, demand, consent or approval) to or by a party to this Deed:

(a) **Method**

May be given by personal service or email;

(b) **In writing**

Must be in writing, legible and in English addressed as shown below:

(i) *Precinct*

Address: Floor 12, 188 Quay Street, Auckland Central

Attention: General Counsel & Company Secretary

Email: companysecretary@precinct.co.nz

(ii) *Precinct Investments*

Address: Floor 12, 188 Quay Street, Auckland Central

Attention: General Counsel & Company Secretary

Email: companysecretary@precinct.co.nz

or to any other address last notified by the party to the sender by notice given in accordance with this clause 14.1;

(c) **Signature**

In the case of a corporation, must be signed by an officer or authorised representative of the sender; and

**(d) Receipt**

Is deemed to be given by the sender and received by the addressee:

(i) Delivery

if delivered in person, when delivered to the addressee; or

(ii) Email

if sent by email, on the date and time at which it enters the addressee's information system (as shown in a confirmation of delivery report from the sender's information system, which indicates that the email was sent to the email address of the addressee notified for the purposes of this clause 14.1),

but if the delivery or receipt is on a day which is not a Business Day or is after 5.00 pm (addressee's time), it is deemed to have been received at 9.00 am on the next Business Day.

14.2 Reliance on notice

A notice or communication given in accordance with clause 14.1 can be relied on by the addressee and the addressee is not liable to any other person for any consequences of that reliance if the addressee believes it to be genuine, correct and authorised by the sender.

15 ASSIGNMENT

A party may only assign this Deed, or its rights and obligations under this Deed, with the prior written consent of the other party.

16 GENERAL**16.1 Entire agreement**

This Deed supersedes all previous agreements in respect of its subject matter and embodies the entire agreement between the parties.

16.2 Further assurances

Each party must do all things and execute all further documents necessary to give full effect to this Deed.

16.3 Waivers

No delay, failure or forbearance by a party to exercise (in whole or in part) any right, power or remedy under, or in connection with, this Deed will operate as a waiver of such right, power or remedy.

16.4 Amendments

No variation of any term of this Deed is effective until it is in writing and signed by both parties.

16.5 Severability

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



16.6 Costs

Each party is to bear its own legal and other costs of and incidental to the preparation, negotiation and execution of this Deed.

16.7 Counterparts

This Deed may be executed in any number of counterparts (including facsimile copies), each of which is to be deemed an original, but all of which together will constitute a single instrument.

16.8 To the extent not excluded by law

The rights, duties and remedies granted or imposed under the provisions of this Deed operate to the extent not excluded by law.

16.9 GST

If any party:

- (a) is liable to pay GST on a supply made in connection with this Deed; and
- (b) certifies to the recipient of the supply that it has not priced the supply to include GST,

then the recipient of the supply agrees to pay that party an additional amount equal to the consideration payable for the supply multiplied by the prevailing GST rate, subject to the receipt of a tax invoice.

16.10 Governing law

This Deed is governed by the laws and must be construed in accordance with the laws of New Zealand. Each party irrevocably submits to the exclusive jurisdiction of the courts of New Zealand in respect of all matters arising out of or relating to this Deed, its performance or subject matter.

PRECINCT PROPERTIES GROUP STAPLING DEED



EXECUTION

Precinct Properties New Zealand Limited

by:

DocuSigned by:
Scott Pritchard
025A57B39FC2410...

Scott Pritchard
Chief Executive Officer
Duly Authorised Person

~~in the presence of:~~
Louise Rooney
45F24BB64C17486...

Name: Louise Rooney
Occupation: solicitor
Address: Auckland, New Zealand

Precinct Properties Investments Limited

by:

DocuSigned by:
Scott Pritchard
025A57B39FC2410...

Scott Pritchard
Chief Executive Officer
Duly Authorised Person

~~in the presence of:~~
Louise Rooney
45F24BB64C17486...

Name: Louise Rooney
Occupation: solicitor
Address: Auckland, New Zealand