



PROVINCIAL  
DEVELOPMENT  
UNIT

New Zealand Government

# **FUNDING AGREEMENT**

BETWEEN

**MINISTRY OF BUSINESS,  
INNOVATION AND EMPLOYMENT**

AND

**THE TRUSTEES OF THE OMAPERE TARAIRE E  
AND RANGIHAMAMA X3A AHU WHENUA  
TRUST**

FOR

**NGA WHENUA KAIKOHE**

*THIS PROJECT IS FUNDED THROUGH PGF WHENUA MAORI ALLOCATION*

**AGREEMENT**

The parties (identified below in Part 1) agree to be bound by the terms and conditions of this Agreement, as set out below in Part 1 (Key Details), Part 2 (General Terms), Part 3 (Definitions and Construction), the Schedule (Payment Request) and the Appendixes.

**PART 1: KEY DETAILS**

- |                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1 Parties</b>              | <p>The Sovereign in right of New Zealand, acting by and through the Chief Executive of the Ministry of Business, Innovation and Employment (<b>Ministry</b>)</p> <p>Privacy of natural persons Colleen Bermingham-Brown, Privacy of natural persons as trustees of the Omapere Taraire E and Rangihamama X3A Ahu Whenua Trust (<b>Recipient</b>)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>2 Funding Start Date</b>   | Commencement Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>3 End Date</b>             | Commercial Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>4 Background</b>           | <p>Through the Provincial Development Unit, the Ministry is responsible for administering the Provincial Growth Fund (<b>PGF</b>), which aims to lift productivity potential in New Zealand's provinces. Its priorities are to enhance economic development opportunities, create sustainable jobs, enable Māori to reach full potential, boost social inclusion and participation, build resilient communities, and help meet New Zealand's climate change targets.</p> <p>The Funding under this Agreement is from the Whenua Māori allocation of the PGF. The Whenua Māori allocation is to support Māori landowners to achieve greater levels of prosperity through investment in Māori-owned land. Whenua Māori funding is aligned with the intent of the PGF, including its regions of focus, and is administered by the Provincial Development Unit.</p> <p>The Recipient has applied for funding on behalf of a group of Land Block Owners (as described in the Project description below).</p> <p>The Recipient has sought a funding contribution from the Ministry for the purposes of the Project described below. The Ministry has agreed to contribute funding on the terms and conditions of this Agreement (<b>Agreement</b>).</p> <p>The intention is to establish an entity to manage the Project (<b>NWK Entity</b>). Once the NWK Entity has been established, the Recipient and the Ministry will novate this Agreement from the Recipient to the NWK Entity, and the NWK Entity will assume the Recipient's obligations under this Agreement.</p> <p>Key details of this Agreement are set out in this <b>Part 1</b>. The full terms and conditions are set out in <b>Part 2</b>. Defined terms and rules of interpretation are set out in <b>Part 3</b>.</p> |
| <b>5 Conditions Precedent</b> | <p>No Funding is payable under this Agreement until the Ministry has confirmed to the Recipient in writing that it has received, and found, in its sole discretion, to be satisfactory to it in form and substance, the following documents and evidence:</p> <ol style="list-style-type: none"> <li>a) A copy of a resolution of the Recipient in accordance with its rules or constitution: <ol style="list-style-type: none"> <li>i. approving the terms of, and the transactions contemplated by, the Project and the Agreement; and</li> <li>ii. authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with this Agreement.</li> </ol> </li> <li>b) Final project plan and costings (<b>Project Plan</b>).</li> <li>c) Due diligence and financial review findings.</li> <li>d) A signed service agreement between the Recipient and Commercial in relation to Phase 1 of the Project.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

These conditions precedent must be satisfied within a <sup>Commercial Informa</sup> period from the date of signing, unless agreed otherwise in writing with the Ministry. In the event that they are not satisfied within that time, the Ministry may notify the Recipient that this Agreement has not come into effect and is null and void.

**6 Project Description**

The Recipient will apply the Funding to develop, over the next <sup>Comm</sup> years, <sup>Comm</sup> hectares of vineyards (**Vineyards**) on five separate Maori land blocks in the Kaikohe area, being:

- Omapere Taraire E and Rangihamama X3A owned by the <sup>Privacy of natural pers</sup>
- Tuhuna 4H 5 Blk, owned by **Privacy of natural persons**
- Taporepore A Block, owned by **Privacy of natural persons**
- Tuhuna 47 Block, owned by the <sup>Privacy of natural persons</sup> and <sup>Privacy of natural persons</sup> <sup>Privacy of natural persons</sup> and Pt Taraire 25 Blk, owned by Te Kotahitanga e Mahi Kaha Trust (TKEMKT),

being the **Land Blocks**, provided that the Recipient may not apply Funding to the development of the vineyards on TKEMKT’s land.

The Project will be delivered in two phases as further described in Appendix 1.

Expected outcomes of the Project which align with the PGF objectives:

- Increase economic output;
- Enhance utilisation of and/or returns for Māori assets;
- Increase productivity and growth;
- Increase local employment and wages;
- Increase the sustainable use of and benefit from natural assets; and
- Enhance wellbeing, within and/or between regions.

**7 Project Deliverables and Instalments**

The Recipient is to complete the following Project Deliverables for the Project to the satisfaction of the Ministry by the following dates:

| Completion Date                   | Project Deliverable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Instalment payable on completion of Project Deliverable plus GST (if any) |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Commencement Date                 | Funding Agreement executed and all Conditions Precedent have been satisfied or waived.<br><br>Commencement of Phase 1.                                                                                                                                                                                                                                                                                                                                                                                                                       | up to \$ <sup>Commercial Info</sup>                                       |
| <sup>Commercial Information</sup> | Provide: <ul style="list-style-type: none"> <li>• evidence of the Recipient having sought legal advice in relation to the establishment of the NWK Entity;</li> <li>• notification of the proposed structure of the NWK Entity for PDU’s approval;</li> <li>• evidence that the NWK Entity has been legally established or incorporated (as relevant);</li> <li>• provide agreements (if any) in relation to the Project between:                             <ul style="list-style-type: none"> <li>○ the Recipient;</li> </ul> </li> </ul> | Up to \$ <sup>Commercial In</sup>                                         |

|                        |                                                                                                                                                                                                    |                                                                                                                                                    |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
|                        | <ul style="list-style-type: none"> <li>o the NWK Entity;</li> <li>o the Land Block owners.</li> </ul>                                                                                              |                                                                                                                                                    |
| Commercial Information | Submit results of the 'Site Viability Tests' for all Land Blocks (excluding TKEMKT's land) to MPI for analysis, feedback & recommendations", as per the Milestones at Annex A to the Project Plan. | Up to \$ Commercial Inf                                                                                                                            |
| Commercial Information | Provide evidence of employment of the: <ul style="list-style-type: none"> <li>• Project Manager; and</li> <li>• Project Administrator.</li> </ul>                                                  | N/A                                                                                                                                                |
| Commercial Information | Completion of remaining aspects of Phase 1 as described in Appendix 1.                                                                                                                             | N/A                                                                                                                                                |
| Commercial Information | All Conditions Precedent to the Phase 2 as set out in Item 11 of Part 1 of this Agreement have been satisfied or waived by the Ministry.<br><br>Commencement of the Phase 2.                       | Up to \$ Commercial Informat (in accordance with the Project Deliverables for this Phase delivered as part of the Conditions Precedent in Item 11) |

The Project Deliverables for Phase 2 will be developed as part of Phase 1.

**8 Key Personnel**

| Key Personnel            | Respective Roles |
|--------------------------|------------------|
| Colleen Bermingham-Brown | Project Lead     |

**9 Approved Contractors**

As approved in writing by the Ministry.

**10 Funding**

The total Funding available under this Agreement is up to **NZ\$1,532,000.00** plus GST (if any). This is the Total Maximum Amount Payable. The Funding is subject to the following sub-limits

- a) In respect of Phase 1, up to \$ Commercial Infor plus GST (if any); and
- b) In respect of Phase 2, up to \$ Commercial Informa plus GST (if any)

The Funding will be paid in instalments on satisfactory completion of the relevant Project Deliverable; receipt of a Payment Request in accordance with clause 1 of Part 2 and the terms and conditions of this Agreement.

Where the Eligible Costs incurred for a Project Deliverable are less than the maximum payable against the relevant Project Deliverable, the balance will be rolled over and will be available to the Recipient (if needed) as part of the next instalment.

**11 Conditions Precedent to Phase 2**

Phase 2 of the Project will only commence once the Ministry has provided notice in writing that it has received, and found, in its sole discretion, to be satisfactory to it in form and substance, the Conditions Precedent to Phase 2 listed below:

- a) Evidence of the establishment of a special purpose Project Account in the name of the NWK Entity.
- b) Undertaking from each of the shareholders, members or participants (as relevant) in the NWK Entity to pay all overruns in accordance with clause 1(b) of the Special Terms (Item 14).
- c) Financial information - a final, updated, funds flow statement/model and budget (**Project Budget**) for Phase 2, setting out the funding and application of funds in

relation to the Project and the financing thereof, including all fees, costs and expenses (including taxes) in connection with the same, including:

- a. application of funds in relation to the operation of the Vineyards (being a breakdown of budgeted costs in relation to each Land Block); and
  - b. the long-term maintenance of the associated facilities.
- d) Evidence that the Recipient can deliver the Project in accordance with the Project Budget in (c), including confirmation from the CEO, Chairperson or general manager (as applicable) of the NWK Entity of the Project Budget and payments profile.
- e) Executed deed of novation and variation (between the Ministry, the Recipient and the newly formed NWK Entity (the form of such document subject to the prior approval of the Ministry), including variations as necessary:
- a. to enable incorporation of the Project Deliverables for Phase 2;
  - b. update the Project Budget for Phase 2 (if required);
  - c. as described in clause 3 of the Special Terms (Item 14); and
  - d. to ensure that this Agreement is adapted to reflect the structure of the NWK Entity (whether it be a company, incorporated society or otherwise),
- and with such novation having become effective.
- f) Evidence of full completion of all of the matters and documents described as part of the Phase 1 in Appendix 1.
- g) Evidence that all required Authorisations have been obtained, including a copy of any required resource consent.
- h) Evidence of source of funds that enables each party described in clause 1(b) of the Special Terms (item 14) to give the undertaking required under that clause.
- i) Any other conditions arising from the conditions precedent set out above or as otherwise required by the Ministry.

These Conditions Precedent to Phase 2 must be satisfied by Commercial Information, unless otherwise agreed in writing with the Ministry. In the event that they are not satisfied by that date, the Ministry may unilaterally terminate this Agreement.

## 12 Reporting

The Recipient will provide the Ministry with the following reports:

1. A monthly report updating the number of persons currently employed in relation to the Project.
2. A quarterly report by the 10th Business Day following the end of each quarter and within 20 Business Days of completion of the Project.
3. Post Contract Outcomes Report within 3 months of the End Date

**Each quarterly report** must include the following information:

- (a) description and analysis of actual progress of the Project against planned progress including achievement of any Project Deliverables;
- (b) a summary of Funding and any co-funding received for the Project;
- (c) a summary of expenditure to date, actual against budgeted;
- (d) plans for the next quarter (not required in the final report following completion of the Project);
- (e) any risks and/or issues arising or expected to arise with the Project, costs or performance of this Agreement including detail of any issues notified to the Ministry in accordance with clause 2.11 of Part 2;

- (f) an update on media, marketing and communication activities for the Project; and
- (g) any other information that is notified by the Ministry in writing to the Recipient.

The Post Contract Outcome report must include the following information:

- (a) an analysis of how the Funding has enabled the Recipient to achieve the key outcomes of the Project;
- (b) how the Funding has accelerated regional development through increasing the productivity potential of and contributing to more and better paid jobs in the region;
- (c) the number of jobs that were created during and resulting from the Project;
- (d) how the Project has increased social inclusion and participation;
- (e) how the Project has contributed to Māori development;
- (f) how the Project has contributed to New Zealand's climate change commitments and environmental sustainability;
- (g) how the Project has increased regional and national resilience by improving critical infrastructure and/or growth and diversification of the economy; and
- (h) any other information that is notified by the Ministry in writing to the Recipient.

The Recipient acknowledges that the Ministry is developing an evaluation framework for the Provincial Growth Fund and is likely to receive requests for additional information from the Ministry.

13 Insurance

Refer to Part 2, section 2.15

14 Special Terms

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|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | <p>The Recipient:</p> <ul style="list-style-type: none"> <li>a) undertakes to pay all cost overruns in relation to Phase 1 of this Project and any funding shortfall;</li> <li>b) will secure an undertaking from each of the shareholders, members or participants (as relevant) in the NWK Entity (including the Recipient) to pay overruns in relation to their respective Land Blocks (such overruns being the difference between the amount of Funding available to that Land Block owner under the Project Budget submitted as one the conditions precedent to Phase 2, and the actual cost of delivery of the Project on that Land Block);</li> <li>c) will receipt all Funding through the Project Account (which may be managed by <sup>Commercial In</sup>);</li> <li>d) will ensure that the complete Project is delivered to the high standard proposed in its application to the Ministry;</li> <li>e) undertake the Project in accordance with the Project Plan;</li> <li>f) will apply the Funding in accordance with the Project Budget included in <b>Appendix 3</b>, subject to:             <ul style="list-style-type: none"> <li>i. any amendment to that Project Budget required by reference to the updated budget (if any) submitted and approved by the Ministry as part of the Conditions Precedent to Phase 2; and</li> <li>ii. any variation to the Project Budget agreed with the Ministry in writing, provided that the Recipient may amend the Project Budget by up to \$<sup>Commercial In</sup> plus GST (in the aggregate) without reference to the Ministry, but further amendment will require the Ministry's prior approval.</li> </ul> </li> </ul> |
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| 2. | <p>The Ministry acknowledges the Recipient's intention that <sup>Commercial</sup> will manage the distribution of the Funding from the Ministry to the relevant contractors directly, or</p> <ul style="list-style-type: none"> <li>a) during Phase 1, on approval of the Recipient and subject to written approval from each of the Land Block owners, to the Land Block Owners; and</li> <li>b) during Phase 2, to the NWK Entity (following novation) and then to Land Block owners,</li> </ul> <p>provided that under this Agreement, the Recipient remains liable for ensuring that the Funding is applied to the Project in accordance with the Project during Phase 1, and both the Recipient and the NWK Entity are liable during Phase 2.</p>                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 3. | <p>The parties acknowledge that TKEMKT may allow the Recipient to access <sup>Commercial</sup> hectares of its land at <sup>Commercial Information</sup> to be used as part of the Project.</p> <p>For the avoidance of doubt:</p> <ul style="list-style-type: none"> <li>a) the Funding is not to be used for the development of vineyards on TKEMKT's land; and</li> <li>b) the involvement of TKEMKT in this Project does not constitute a conflict of interest, provided that all invoices submitted to the Ministry reflect the actual amounts paid to TKEMKT for its services.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 4. | <p>Following novation of this Agreement to the NWK Entity, the Project will be managed as one entity with a competency-based governance structure, and the following new provisions are added to the Agreement:</p> <p>If the NWK Entity is a company, the following following new termination event is added at sub-clause 5.3(3)(viii) of Part 2:</p> <p><i>5.3(e)(viii): If there is a Change in Control with respect to the Company without the prior written consent of the Ministry</i></p> <p>The following new recovery event is added at sub-clause 5.5(e) of Part 2:</p> <p><i>5.5(e): Change of Control. If, during the period from the commencement of the Phase 1 to the date that is 10 years from the End Date, the percentage of shares in the Company held by one or more shareholders in the Company changes by more than 5% without the prior consent of the Ministry, the Ministry may demand from the Company repayment of an amount up to the total value of the Funding, and the Company must repay the amount demanded.</i></p> <p>If the NWK Entity is not a company, an appropriate change of control clause will be interested by the Ministry.</p> |
| 5. | <p>Upon completion of the Project, the Recipient will, and will procure that each of the Land Block owners will, ensure the maintenance of the completed Vineyards on their respective Land Blocks and related assets in accordance with Best Industry Practice for at least 10 years from the End Date, in any way necessary to be maintained in:</p> <ul style="list-style-type: none"> <li>a. good and substantial repair and condition and, as appropriate, in good working order; and</li> <li>b. such repair, condition and order as to enable them to be let in accordance with all applicable laws and regulations; for this purpose, a law or regulation will be regarded as applicable if it is either:</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | <ul style="list-style-type: none"> <li>i. in force; or</li> <li>ii. it is expected to come into force and a prudent property owner in the same business as and operator of a similar business would ensure that its physical assets were in such condition, repair and order in anticipation of that law or regulation coming into force.</li> </ul>                                                                                                                                                                                                                   |
| 6. | <p>Without prior consent of the Ministry:</p> <ul style="list-style-type: none"> <li>a) the NWK Entity must not (subject to clause 3 of these Special Terms) sub-lease, dispose of, transfer, assign or cease to operate the Vineyards; or</li> <li>b) the Recipient and each of the Land Block owners must not sub-lease, dispose, transfer, assign or cease to legally and beneficially own the Land Blocks and any property owned by each of those parties funded under this Agreement,</li> </ul> <p>for a period of <sup>Comme</sup> years from the End Date.</p> |
| 7. | <p>For the avoidance of double, the intellectual property licence in clause 4.2 is subject to the confidentiality obligations in clause 8.</p>                                                                                                                                                                                                                                                                                                                                                                                                                         |

**15 Contact Person**

Ministry's Contact Person:

Name: Jade Morunga

Email: jade.morunga@mbie.govt.nz

Contract ID: <sup>Commercial Information</sup>

Recipient's Contact Person:

Name: Colleen Bermingham-Brown

Email: <sup>Privacy of natural persons</sup>

**16 Address for Notices**

To the Ministry:

15 Stout Street,

PO Box 1473

Wellington 6140

Attention: Provincial Development Unit

Email: [monitorpgf@mbie.govt.nz](mailto:monitorpgf@mbie.govt.nz)

To the Recipient:

12 Mangakahia Road

Kaikohe 0405

Attention: Colleen Bermingham-Brown

Email: <sup>Privacy of natural persons</sup>

**SIGNATURES**

**SIGNED** by the **SOVEREIGN IN RIGHT OF NEW ZEALAND** acting by and through the Chief Executive of the Ministry of Business, Innovation and Employment or his or her authorised delegate:

\_\_\_\_\_  
 Name: Nicki Sutherland  
 Manager, Regional  
 Position: Development  
 Date: 26.06.20

**SIGNED** by the trustees of the **OMAPERE TARAIRE E AND RANGIHAMAMA X3A TRUST**, being persons duly authorised to enter into obligations on behalf of the Recipient:

\_\_\_\_\_  
 Name: <sup>Privacy of natural persons</sup>  
 Position: Trustee  
 Date:



Date: 12/6/2020.

Authorized salesignatory

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Name: Privacy of natural persons

Position: Trustee

Date:

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Name: Privacy of natural persons

Position: Trustee

Date:

*Each signatory warrants that the persons signing on behalf of the Recipient have the necessary authority to execute this Agreement on behalf of the Recipient.*

END OF PART 1

**PART 2: GENERAL TERMS**

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**1 FUNDING**

- 1.1 The Ministry must pay the Funding (up to the "Total Maximum Amount Payable" specified in the Key Details) to the Recipient, subject to the terms of this Agreement. Unless stated otherwise in this Agreement, the Recipient may only claim the Funding to the extent necessary to cover Eligible Costs incurred by the Recipient. If the Recipient receives any Funding before it has incurred corresponding Eligible Costs, the Recipient must use the Funding solely on Eligible Costs.
- 1.2 On completion of a Project Deliverable, the Recipient must submit a Payment Request to [monitorpgf@mbie.govt.nz](mailto:monitorpgf@mbie.govt.nz) and copying in Ministry's Contact Person in accordance with item 7 (Project Deliverables and Instalments) of the Key Details.
- 1.3 Each Payment Request is to be signed by a Trustee and an authorised signatory of the Recipient and must be in the form set out in the Schedule and include the confirmations set out therein, and must include:
- (a) the amount of Funding requested, which must not exceed the Instalment set out in item 7 of the Key Details;
  - (b) a breakdown of total Eligible Costs incurred by the Recipient and confirmation that such costs are Eligible Costs for the purpose of this Agreement and have been paid or are currently due and payable (not required for any initial payment to be paid on the Commencement Date);
  - (c) copies of invoices received by the Recipient from third parties in relation to the Eligible Costs where those Eligible Costs are more than \$1,000 (on an individual basis or when grouped by supplier or subject matter) and statements and accounts showing the Eligible Costs incurred;
  - (d) a valid GST invoice complying with the Goods and Services Tax Act 1985;
  - (e) confirmation that no Termination Event is subsisting and that each of the warranties under clauses 2 and 6 of this Agreement are correct as at the date of the Payment Request; and
  - (f) contain any other information required by the Ministry.
- 1.4 The Ministry is not required to pay any Funding in respect of a Payment Request:
- (a) where the Ministry is not satisfied with the progress of the Project;
  - (b) if any Project Deliverable(s) have not been completed by the relevant "Completion Date" specified in the Key Details;
  - (c) if the Ministry is not satisfied with the information that is contained within, or provided in connection with, the reports or the Payment Request noting that in the context of the Payment Request the Ministry may elect to pay the Recipient for certain Eligible Costs that are the subject of the Payment Request and withhold payment for other Eligible Costs that the Ministry disputes;
  - (d) if payment will result in the Funding exceeding the "Total Maximum Amount Payable" ;
  - (e) while there are one or more Termination Event(s);
  - (f) if this Agreement has expired or been terminated; and/or
  - (g) while the Recipient is in breach of this Agreement.
- 1.5 Subject to the terms of this Agreement, the Ministry must pay each valid Payment Request by no later than the 20th day of the month after the month the Payment Request is dated, and if such day is not a Business Day, on the next Business Day.

## 2 RECIPIENT'S RESPONSIBILITIES

### Standards and compliance with laws

- 2.1 The Recipient must undertake the Project as described in this Agreement.
- 2.2 In undertaking the Project, the Recipient must comply with all applicable laws, regulations, rules and professional codes of conduct or practice.

### Project Deliverables, Key Personnel, Contractors and the Project

- 2.3 The Recipient must ensure that the Project Deliverables and the Project are carried out:
  - (a) promptly with due diligence, care and skill, and in a manner that meets or exceeds Best Industry Practice;
  - (b) by appropriately trained, qualified, experienced and supervised persons; and
  - (c) in accordance with any directions of the Ministry, notified by the Ministry in writing from time to time.
- 2.4 The Recipient must ensure that the Project Deliverables are completed by the relevant "Completion Date" specified in the Key Details.
- 2.5 The Recipient must ensure that the Key Personnel undertake their respective roles in connection with the Project as specified in the Key Details, except as otherwise approved in writing by the Ministry. If any Key Personnel become unavailable to perform their role, the Recipient must promptly arrange replacement Key Personnel acceptable to the Ministry.
- 2.6 The Recipient may not contract the delivery of the Project or any of its obligations under this Agreement except where:
  - (a) it has the Ministry's prior written approval (which may be given on any conditions specified by the Ministry);
  - (b) the contractors are named as "Approved Contractors" in respect of particular roles in the Key Details; or
  - (c) the subcontract is for less than \$100,000.00.
- 2.7 The Recipient is responsible for the acts and omissions of any contractors.
- 2.8 The Recipient must ensure (and must procure that the head contractor when engaging with any other contractor ensures) that all agreements it enters into with contractors or any other party in connection with the Project are on an "arm's length" basis, provide value-for-money and do not give rise to any Conflict of Interest. The Recipient must provide the Ministry with reasonable evidence of compliance with this clause 2.8 in response to any request by the Ministry from time to time.

### Information Undertakings

- 2.9 The Recipient must provide the Ministry with the reports (if any) specified in the Key Details, in accordance with the timeframes and reporting requirements set out in the Key Details.
- 2.10 The Recipient must provide the Ministry with any other information about the Project requested by the Ministry within the timeframe set out in the request.
- 2.11 The Recipient must promptly notify the Ministry if:
  - (a) the Recipient (or any of its personnel or contractors) becomes aware of, or subject to, a Conflict of Interest;

- (b) the Recipient becomes aware of any matter that could reasonably be expected to have an adverse effect on the Project, or result in a Termination Event or a breach of any term of this Agreement by the Recipient.

2.12 The Recipient must not at any time do anything that could reasonably be expected to have an adverse effect on the reputation, good standing or goodwill of the Ministry. The Recipient must keep the Ministry informed of any matter known to the Recipient which could reasonably be expected to have such an effect.

#### **Funding, records and auditors**

2.13 The Recipient must receive and manage all Funding in accordance with good financial management and accounting practices and to a high standard that demonstrates appropriate use of public funds.

2.14 The Recipient must keep full and accurate records (including accounting records) of the Project, and retain them for at least 7 years after the last payment of Funding under this Agreement. The Recipient must permit the Ministry (or any auditor nominated by the Ministry) to inspect all records relating to the Project and must allow the Ministry and/or the auditor access to the Recipient's premises, systems and personnel for the purposes of this inspection.

#### **Insurance**

2.15 The Recipient must effect and maintain insurance that is adequate to cover its obligations under this Agreement, plus any other insurance specified in the Key Details. The Recipient must, on request, provide the Ministry with evidence of its insurance cover required under this clause.

#### **Health and Safety**

2.16 Without limiting its other obligations under this Agreement, the Recipient must:

- (a) consult, cooperate and coordinate with the Ministry to the extent required by the Ministry to ensure that the Ministry and the Recipient will each comply with their respective obligations under the Health and Safety at Work Act 2015 as they relate to this Agreement and the Project;
- (b) perform its, and ensure that the contractors perform their, obligations under this Agreement and the Project (as applicable) in compliance with its and their obligations under the Health and Safety at Work Act 2015;
- (c) comply with all directions of the Ministry relating to health, safety, and security; and
- (d) report any health and safety incident, injury or near miss, or any notice issued under the Health and Safety at Work Act 2015, to the Ministry to the extent that it relates to, or affects, this Agreement or the Project.

### **3 PROJECT GOVERNANCE**

3.1 If advised in writing by the Ministry the Recipient must:

- (a) provide reasonable notice to the Ministry of all Project management group meetings and Project governance group meetings; and
- (b) copies of all documents and notices to be tabled at the Project management group meetings and Project governance group meetings to the Ministry no later than a reasonable period prior to the meetings, and the minutes of those meetings within a reasonable period after each meeting

- 3.2 The Ministry may appoint observers who will be entitled to attend and speak at all Project management group meetings and Project governance group meetings (but will not be entitled to vote on any matter at those meetings).

#### 4 INTELLECTUAL PROPERTY

- 4.1 The Ministry acknowledges that the Recipient and its licensors own all pre-existing intellectual property which they contribute to the Project, and all new intellectual property which they create in the course of the Project.
- 4.2 The Recipient grants an irrevocable, perpetual, royalty-free, sub-licensable licence to the Ministry to use all reports, documents, information and other materials created or provided by the Recipient to the Ministry under or in connection with the Project and this Agreement.
- 4.3 The Recipient warrants that it has obtained (or will obtain, prior to creation of each relevant work) all rights and permissions necessary to enable the grant and exercise of the licence in clause 4.2 without infringing the intellectual property rights of any third party.

#### 5 TERM AND TERMINATION

- 5.1 This Agreement will be effective on and from the Commencement Date, which will be the latest to occur of:
- (a) the date this Agreement has been signed by both parties and
  - (b) the date on which the Ministry has provided written notice to the Recipient that the Conditions Precedent specified in the Key Details, if any, have either been satisfied (in the opinion of the Ministry) or waived by the Ministry.
- 5.2 This Agreement will remain in force until the End Date, unless terminated in accordance with this Agreement (the **Term**).
- 5.3 The Ministry can terminate this Agreement with immediate effect, by giving notice to the Recipient, at any time while:
- (a) the Ministry reasonably considers that the Recipient has become or is likely to become, insolvent or bankrupt;
  - (b) the Recipient is subject to the appointment of a liquidator, receiver, manager or similar person in respect of any of its assets;
  - (c) where the Recipient is a trust, a trustee ceases to be a trustee of the relevant trust without providing prompt notification to the Ministry (within at least 30 days of such removal or retirement);
  - (d) the Recipient has ceased to carry on its operations or business (or a material part of them) in New Zealand, including, where the Recipient is a trust, an application or order is made in any court for the property of the relevant trust to be administered by the court or under its control; or
  - (e) any one or more of the follow events or circumstances remains unremedied:
    - (i) the Recipient is materially in breach of any obligation, or a condition or warranty, under this Agreement;
    - (ii) the Recipient abandons the Project;
    - (iii) the Recipient has provided the Ministry with information in connection with or under this Agreement that (whether intentionally or not) is materially incorrect or misleading, and/or omits material information;

- (iv) the Ministry reasonably considers that this Agreement or the Project has caused, or may cause, the Ministry and/or the New Zealand Government to breach any legal obligations (including its international trade obligations);
  - (v) the Recipient is involved in any intentional or reckless conduct which, in the opinion of the Ministry, has damaged or could damage the reputation, good standing or goodwill of the Ministry, or is involved in any material misrepresentation or any fraud;
  - (vi) the Recipient (or any of its personnel or contractors) is subject to a Conflict of Interest which cannot be managed to the Ministry's satisfaction; or
  - (vii) any change in law, regulations, government policy or other circumstances materially affects the Ministry's ability to perform its obligations under this Agreement.
- 5.4 However, where the Ministry considers that a Termination Event set out in clause 5.3(e) can be remedied, the Ministry must give notice to the Recipient requesting a remedy, and must not exercise its right of termination unless the relevant event remains unremedied for at least 14 days (or any longer period agreed with the Recipient) after that notice has been provided by the Ministry.
- 5.5 The Ministry may recover Funding from the Recipient as follows:
- (a) **Misspent Funding.** At any time the Ministry may recover the amount of any Funding that has been spent or used other than in accordance with this Agreement, together with interest on all such amounts calculated at 10% per annum from the date of the misspending to the date the money is repaid.
  - (b) **Uncommitted Funding.** On expiry or termination of this Agreement, the Ministry may recover any Funding paid to the Recipient, which the Recipient:
    - (i) has not spent or contractually committed to spend in accordance with this Agreement; or
    - (ii) has spent or contractually committed to spend in accordance with this Agreement but which the Recipient can have refunded or released from that commitment, provided the Recipient must use all reasonable endeavours to obtain such refund or release.
  - (c) **Project abandoned.** If the Recipient has abandoned the Project or stated an intention to abandon the Project, and does not within 10 Business Days of being requested to do so by the Ministry demonstrate to the Ministry's satisfaction that the Recipient will proceed with the Project, the Ministry may recover an amount up to the total value of the Funding, provided the Ministry may not recover under this subclause if the Recipient satisfies the Ministry that it acted on reasonable grounds in deciding to abandon the Project.
  - (d) **Excess Funding.** On expiry or termination of this Agreement, where the total Funding paid under this Agreement and any other money received by the Recipient to carry out the Project exceeds the funding required to perform the Project, the Recipient must upon request refund to the Ministry the excess amount. The Recipient is not required to refund, under this clause 5.5(d), any amount that exceeds the total amount of Funding.
- 5.6 Clauses 1.4, 2.1, 2.13, 2.14, 4, 5, 6, 7, 8, 9, 10, 11 and 12 survive expiry or termination of this Agreement, along with any other parts of this Agreement necessary to give effect to those provisions. Expiry or termination of this Agreement does not affect any accrued rights, including any rights in respect of a breach of this Agreement or Termination Event that occurred before expiry or termination.

## 6 WARRANTIES AND UNDERTAKINGS

- 6.1 The Recipient warrants that, in the course of its activities in connection with the Project, it will not infringe any intellectual property or other rights of any third party.
- 6.2 The Recipient warrants that, as at the date of this Agreement:
- (a) It has full power and authority to enter into and perform its obligations under this Agreement which, when executed, will constitute binding obligations on it in accordance with this Agreement's terms;
  - (b) all information and representations disclosed or made to the Ministry by the Recipient in connection with this Agreement are true and correct, do not omit any material matter, and are not likely to mislead or deceive the Ministry as to any material matter;
  - (c) it has disclosed to the Ministry all matters known to the Recipient (relating to Project, the Recipient, its contractors or its personnel) that could reasonably be expected to have an adverse effect on the reputation, good standing or goodwill of the Ministry; and
  - (d) it is not aware of any material information that has not been disclosed to the Ministry which may, if disclosed, materially adversely affect the decision of the Ministry whether to provide the Funding.
- 6.3 Each trustee of the Recipient represents and warrants that:
- (a) **Due authority:** it has taken all necessary actions required by the constituent document of the relevant trust to authorise the entry into, the delivery of and performance of this Agreement;
  - (b) **Due performance:** in entering into this Agreement, the trustee has properly performed its obligations to the relevant trust beneficiaries;
  - (c) **Power:** the trustee has power as trustee of the relevant trust to enter and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement;
  - (d) **No removal action:** no action has been taken to remove the trustee as trustee of the relevant trust or to appoint an additional trustee of the relevant trust;
  - (e) **Right of indemnity:**
    - (i) the trustee has a right to be fully indemnified out of the property the subject of the relevant trust (*Trust Property*) in relation to the obligations under this Agreement;
    - (ii) the trustee has not released or disposed of the trustee's equitable lien over the relevant Trust Property which secures that indemnity; and
    - (iii) the trustee has not committed any breach of trust or done or omitted to do anything which has prejudiced or limited its rights of indemnity or equitable lien;
  - (f) **Trust not terminated:** no action has been taken to terminate the relevant trust.
- 6.4 Each trustee of the Recipient must:
- (a) ensure the Trust Property is not mixed with any other property;
  - (b) comply with the trustee's material obligations as trustee of the relevant trust;
  - (c) not release, dispose of or otherwise prejudice the trustee's right of indemnity against, and equitable lien over, the Trust Property and the trustee's right of indemnity (if any) against the trust beneficiaries in relation to its obligations under the Agreement;

- (d) ensure that (subject to the trustee's fiduciary duties) it notifies the Ministry if it resigns or is removed within the timeframe described in clause 5.3(c) .

6.5 The Recipient acknowledges that the Ministry has entered into this Agreement in reliance on these warranties and undertakings.

6.6 The Recipient acknowledges and agrees that the Ministry has made no warranty or representation that any funding or financial support is or will be available to the Recipient in respect of the Project other than the Funding.

## 7 LIABILITY

7.1 The maximum liability of the Ministry under or in connection with this Agreement, whether arising in contract, tort (including negligence) or otherwise, is limited to the total amount of Funding paid or payable under this Agreement.

7.2 The Ministry is not liable for any claim under or in connection with this Agreement, whether arising in contract, tort (including negligence) or otherwise, where such claim is or relates to any loss of profit, loss of revenue, loss of use, loss of reputation, loss of goodwill, loss of opportunity (in each case whether direct, indirect or consequential) or any other indirect, consequential or incidental loss or damages of any kind whatsoever.

## 8 CONFIDENTIALITY

8.1 Subject to clause 8.2 and 8.3, each party must keep the other party's Confidential Information in confidence, and must use or disclose that Confidential Information only to the extent necessary to perform its obligations, and/or take the intended benefit of its rights, under this Agreement. However, this will not prohibit:

- (a) either party from using or disclosing any information with the written prior consent of the other party;
- (b) use or disclosure of information that has become generally known to the public other than through a breach of this Agreement;
- (c) either party from disclosing information to its personnel or contractors with a need to know, so long as the relevant personnel and contractors use the information solely to enable that party to perform its obligations and/or take the intended benefit of its rights under this Agreement, and so long as they are informed of the confidential nature of the information and in the case of the Recipient, the Recipient receives an acknowledgement from its personnel or contractors that they acknowledge, and must comply with, the confidentiality obligations in this Agreement as if they were party to it;
- (d) disclosure required by any law, or any compulsory order or requirement issued pursuant to any law; or
- (e) the Ministry from using or disclosing to any party any documents, reports or information received in relation to this Agreement, provided that prior to any such disclosure the Ministry removes all information that is commercially sensitive to the Recipient from the relevant work.

8.2 The Recipient acknowledges and agrees that nothing in this Agreement restricts the Ministry's ability to:

- (a) discuss, and provide all information in respect of, any matters concerning the Recipient, the Project or this Agreement with any Minister of the Crown, any other government agency or any of their respective advisors;
- (b) meet its obligations under any constitutional or parliamentary convention (or other obligation at law) of or in relation to the New Zealand Parliament, the New Zealand House of Representatives or any of its Committees, any Minister of the Crown, or the New Zealand Auditor-General, including any obligations under the Cabinet Manual including the "no surprises" principle; and



- (c) publicise and report on the awarding of the Funding, including the Recipient's and any of its subcontractor's names, the amount and duration of the Funding and a brief description of the Project, on websites; in media releases; general announcements and annual reports.

8.3 The Recipient acknowledges that:

- (a) the contents of this Agreement; and
- (b) information provided to the Ministry

may be official information in terms of the Official Information Act 1982 and, in line with the purpose and principles of the Official Information Act 1982, this Agreement and such information may be released to the public unless there is good reason, in terms of the Official Information Act 1982 to withhold it.

## 9 MEDIA AND COMMUNICATIONS

- 9.1 Before making any media statements or press releases (including social media posts) regarding this Agreement and/or the Ministry's involvement with the Project, the Recipient will consult with the Ministry, and will obtain the Ministry's prior approval to any such statements or releases.
- 9.2 The Recipient will refer any enquiries from the media or any other person about the terms or performance of this Agreement to the Ministry's Contact Person.
- 9.3 The Recipient will acknowledge the Ministry as a source of funding in all publications (including any digital presence) and publicity regarding the Project in accordance with the PGF Funding Acknowledgement Guidelines on the website: [www.growregions.govt.nz](http://www.growregions.govt.nz). The Recipient must obtain the Ministry's approval of the form and wording of the acknowledgement prior to including the acknowledgement in the publication or publicity (as the case may be).
- 9.4 If requested by the Ministry, the Recipient will establish or erect temporary and/or permanent signage (which may be in the form of a plaque) at the site of the Project acknowledging the Ministry as a source of funding for the Project. The Ministry may provide such signage and the Ministry will consult with the Recipient in respect of a suitable location for such signage.
- 9.5 The Recipient does not have the right to enter into any commitment, contract or agreement on behalf of the Ministry or any associated body, or to make any public statement or comment on behalf of the Ministry.
- 9.6 All correspondence with the Ministry under this clause 9 must be directed to the Ministry's Contact Person and copied to [pducomms@mbie.govt.nz](mailto:pducomms@mbie.govt.nz).

## 10 DISPUTES

- 10.1 In the event of any dispute, controversy or claim arising out of or in connection with this Agreement, or in relation to any question regarding its existence, breach, termination or invalidity (in each case, a Dispute), either party may give written notice to the other specifying the nature of the Dispute and requesting discussions under this clause 10. As soon as reasonably practicable following receipt of a Dispute Notice, the parties must meet (in person, or by audio or video conference) and endeavour to resolve the Dispute by discussion, negotiation and agreement.
- 10.2 A party must not commence any proceedings in connection with a Dispute unless at least 40 days have elapsed since the issue of a corresponding Dispute Notice, and that party has used reasonable endeavours to comply with this clause 10. However, nothing in this clause will prevent either party from seeking urgent interim relief from a court (or other tribunal) of competent jurisdiction.

## 11 CONTACT PERSONS

- 11.1 All matters or enquiries regarding this Agreement must be directed to each party's Contact Person (set out in the Key Details).

- 11.2 Each party may from time to time change the person designated as its Contact Person on 10 Business Days' written notice to the other Party.

12 GENERAL

- 12.1 Each notice or other communication given under this Agreement (each a notice) must be in writing and delivered personally or sent by post or email to the address of the relevant party set out in the Key Details or to any other address from time to time designated for that purpose by at least 10 Business Days' prior written notice to the other party. A notice under this Agreement is deemed to be received if:

- (a) **Delivery:** delivered personally, when delivered;
- (b) **Post:** posted, 5 Business Days after posting or, in the case of international post, 7 Business Days after posting; and
- (c) **Email:** sent by email:
  - (i) If sent between the hours of 9am and 5pm (local time) on a Business Day, at the time of transmission; or
  - (ii) If subclause (i) does not apply, at 9am (local time) on the Business Day most immediately after the time of sending,

provided that an email is not deemed received unless (if receipt is disputed) the party giving notice produces a printed copy of the email which evidences that the email was sent to the email address of the party given notice.

- 12.2 The Recipient agrees to execute and deliver any documents and to do all things as may be required by the Ministry to obtain the full benefit of this Agreement according to its true intent.
- 12.3 No legal partnership, employer-employee, principal-agent or joint venture relationship is created or evidenced by this Agreement.
- 12.4 This Agreement constitutes the sole and entire understanding with respect to the subject matter hereof and supersedes all prior discussions, representations and understandings, written or oral.
- 12.5 No amendment to this Agreement will be effective unless agreed in writing and signed by both parties.
- 12.6 The Recipient may not assign or transfer any of its contractual rights or obligations under this Agreement, except with the Ministry's prior written approval.
- 12.7 The Ministry may assign or transfer any of its contractual rights or obligations under this Agreement without the Recipient's prior approval. The Ministry may at any time disclose to a proposed assignee or transferee any information which relates to, or was provided in connection with, the Project or this Agreement.
- 12.8 No failure, delay or indulgence by any party in exercising any power or right conferred on that party by this Agreement shall operate as a waiver. A single exercise of any of those powers or rights does not preclude further exercises of those powers or rights or the exercise of any other powers or rights.
- 12.9 The exercise by a party of any express right set out in this Agreement is without prejudice to any other rights, powers or remedies available to a party in contract, at law or in equity, including any rights, powers or remedies which would be available if the express rights were not set out in this Agreement.
- 12.10 This Agreement is not intended to confer any benefit on or create any obligation enforceable at the suit of any person not a party to this Agreement.
- 12.11 Any provision of this Agreement that is invalid or unenforceable will be deemed deleted, and will not affect the other provisions of this Agreement, all of which remain in force to the extent permitted by law, subject to any modifications made necessary by the deletion of the invalid or unenforceable provision.

- 12.12 This Agreement is to be governed by the laws of New Zealand, and the parties submit to the non-exclusive jurisdiction of the courts of New Zealand.
- 12.13 This Agreement may be executed in any number of counterparts (including scanned and emailed copies). So long as each party has received a counterpart signed by each of the other parties, the counterparts together shall constitute a binding and enforceable agreement.

*END OF PART 2*

**PART 3: DEFINITIONS AND CONSTRUCTION****Defined terms**

In this Agreement, unless the context requires otherwise:

*Agreement* means this agreement including Parts 1, 2 and 3 and Schedule 1 (and any other annexures or attachments).

*Approved Contractor* means an "Approved Contractor" specified in the Key Details.

*Best Industry Practice* means that degree of skill, care and foresight and operating practice that would reasonably and ordinarily be expected of a skilled and competent supplier of services engaged in the same type of undertaking as that of the Recipient or any contractors (as applicable) under the same or similar circumstances as those contemplated by this Agreement.

*Business Day* means any day other than a Saturday, Sunday or public holiday within the meaning of section 44 of the Holidays Act 2003.

*Commencement Date* has the meaning given in clause 5.1 of Part 2.

*Completion Date* is the date that the relevant Project Deliverable is to be completed by the Recipient, described in the Key Details, and includes any amendment to the date which may be agreed in writing (including by email but only when the Ministry's Contact Person expressly confirms in writing that they have received approval of the change from the correct Ministry delegation holder) between the parties from time to time.

*Confidential Information* of a party (Owner), means any information in the possession or control of another party (Holder) that:

- (a) was originally acquired by the Holder in connection with this Agreement through disclosures made by or at the request of the Owner; and/or
- (b) was originally acquired by the Holder in connection with this Agreement through any access to, or viewing, inspection or evaluation of, the premises, facilities, documents, systems or other assets owned or controlled by the Owner; and/or
- (c) is derived from information of a kind described in paragraph (a) or (b) above;

but excludes any information which the Holder can show:

- (d) was lawfully acquired by the Holder, entirely independently of its activities in connection with this Agreement, and is free of any other obligation of confidence owed to the Owner; and/or
- (e) has been independently developed by the Holder without reference to the Owner's Confidential Information, and without breaching any other obligation of confidence owed to the Owner.

Notwithstanding the foregoing, the terms of this Agreement are Confidential Information of which each Party is both an Owner and a Holder.

*Conflict of Interest* means any matter, circumstance, interest or activity of the Recipient, its personnel or contractors, or any other person with whom the Recipient has a relationship that:

- (a) conflicts with:
  - (i) the obligations of the Recipient (or its personnel or contractors) to the Ministry under this Agreement; or
  - (ii) the interests of the Recipient in relation to this Agreement and/or the procuring of the Project; or
- (b) otherwise impairs or might appear to impair the ability of the Recipient (or any of its personnel or contractors) to diligently and independently carry out the Project in accordance with this Agreement.

*Eligible Costs* means the actual costs reasonably incurred by the Recipient:

- (a) on or after the Funding Start Date and no later than the End Date;
- (b) in good faith for the purpose of carrying out the Project or for purposes incidental to the Project, including all internal costs, disbursements and expenses incurred by the Recipient for such purposes (and to the extent the Recipient is carrying out any other activities) reasonably and proportionately allocated towards such purposes; and
- (c) to the extent that the expenditure relates to work performed by parties not at "arm's length", that expenditure is assessed at reasonable market value, and contains no unacceptable overhead and no element of "in group profit".

*End Date* means the “End Date” specified in the Key Details.

*Funding* means the funding or any part of the funding (as the context requires) payable by the Ministry to the Recipient in accordance with the terms of this Agreement, as described in the Key Details.

*Funding Start Date* means the “Funding Start Date” specified in the Key Details.

*Key Details* means Part 1 of this Agreement.

*Key Personnel* means the “Key Personnel” specified in the Key Details.

*Payment Request* means a request submitted to the Ministry by the Recipient seeking payment of Funding substantially in the form set out in the Schedule to this Agreement.

*Project* means the “Project” described in the Key Details.

*Project Deliverable* means a deliverable to be provided by the Recipient to the Ministry, as set out in the Key Details.

*Recipient* means the Recipient specified in the Key Details.

*Termination Event* means any one or more of the events or circumstances set out in clause 5.3.

#### **Construction**

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

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

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

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

*Inclusions*: a reference to “includes” is a reference to “includes without limitation”, and “include”, “included” and “including” have corresponding meanings;

*Joint and Several Liability*: any provision of this Agreement to be performed or observed by two or more persons binds those persons jointly and severally;

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

*Person*: a reference to a person includes a corporation sole and also a body of persons, whether corporate or unincorporate;

*Precedence*: if there is any conflict between the different parts of this Agreement, then unless specifically stated otherwise, Part 2 will prevail over the Key Details, and the Key Details will prevail over any Attachments;

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

*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;

*Writing*: a reference to “written” or “in writing” includes email and any commonly used electronic document format such as .DOC or .PDF.



PROVINCIAL  
DEVELOPMENT  
UNIT

New Zealand Government

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*END OF PART 3*

**SCHEDULE: PAYMENT REQUEST**

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To: MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT

Dated: [•]

PAYMENT REQUEST NO. [•]

1. We refer to the Funding Agreement dated [•] between [•] as recipient (**Recipient**) and The Sovereign in right of New Zealand, acting by and through the Chief Executive of the Ministry of Business, Innovation and Employment (**Ministry**) (the **Agreement**). Terms defined in the Agreement have the same meaning in this Payment Request.
2. This is a Payment Request for the purpose of clause 1.3 of the Agreement.
3. The Project Deliverables which are the subject of this Payment Request are  
*[insert description of Project Deliverables]*.
4. The amount of Funding requested is \$[•] plus GST if any.
5. The Funding requested in this Payment Request is required to meet the Eligible Costs.
6. Invoices/statements and accounts evidencing the Eligible Costs incurred are attached.

*\*Note that for any Eligible Costs that are more than \$1,000 (on an individual basis or when grouped by supplier or subject matter) a copy of the original invoices received from third parties in relation to the Eligible Costs must be provided.*

7. That each of the items referred to in paragraph 5 are Eligible Costs for the purpose of the Agreement have been paid or are currently due and payable.
8. [Co-Funding must be used to meet the following Eligible Costs that have been incurred by us:  
*[include breakdown description of Eligible Costs that Co-Funding must meet]*
9. *[Include valid GST invoice if relevant]*.
10. We confirm that:
  - (a) no Termination Event is subsisting; and
  - (b) each of the warranties set out in the Agreement are correct as at the date of this Payment Request.

Except to the extent otherwise agreed in writing by the Ministry, all those items forming part of the Eligible Costs identified in any previous Payment Request as due or becoming due and payable, have been paid in full.

By and on behalf of the Recipient by

Omapere Rangihamama Ahu Whenua Trust

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Position: Trustee

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Authorised Officer

## APPENDIX 1

## Project Description cont.

## PHASE 1

During Phase 1, the Recipient must complete various start-up elements to refine the Project and confirm its viability, including:

- a) obtain legal advice in relation to the appropriate legal structure for the NWK Entity in to manage delivery of the Project across the Land Blocks in accordance with this Agreement;
- b) if the NWK Entity is a company:
  - i. determine the shareholding percentage of the owners of the Land Blocks;
  - ii. prepare a shareholders agreement and constitution for the company;
  - iii. incorporate the company and appoint directors;
- c) if the NWK Entity is not a company, formalise a legal structure in accordance with legal advice, and determine the rights and responsibility of the owners of the Land Blocks and appoint directors, governors, trustees, managers, or staff as applicable to that structure;
- d) enter into a service agreement with <sup>Commercial</sup> [redacted] to manage payment of Funding to the Land Block owners in relation to Phase 2;
- e) define the co-operative and management relationship between the NWK Entity and TKEMKT including the provision of training and labour, store and provide equipment for NWK Entity and a location for the Project Manager;
- f) undertake analysis and testing of each Land Block to establish crop suitability, including the viability and suitability of:
  - i. the Land Blocks – confirm the exact area of land to be developed, peg out and produce site maps;
  - ii. water supply – develop a water requirement plan and obtain a water consent;
  - iii. crop varieties – assess animal risks, disease and pest risks, diversification options, temperature and weather assessments, ideal grape varieties;
  - iv. facilities – review potential processing areas, and confirm tools and equipment;
- g) submit the results of the tests in f) to the Ministry for Primary Industries for analysis, feedback and recommendations, and remedy aspects of f)i to iv as required;
- h) confirm the viability of the Project to enable progression to Phase 2;
- i) appoint a project administrator, preferably a whānau member from one of the Land Block owner (**Project Administrator**), to support the Project Manager and ensure knowledge and skills transfer and continuity beyond the End Date;
- j) appoint a project manager (**Project Manager**) to manage the Project, who will:
  - i. engage (with governance approval) advisers;
  - ii. manage the Project Administrator;
  - iii. work with the Land Block owners to prepare individual development plans for the Land Blocks covering land development, schedules, research information, whānau aspirations, contribution to and benefits of the Project;
  - iv. develop an overall development plan for the NWK Entity's approval;
  - v. engage contractors;
  - vi. liaise closely with TKEMKT on all operational issues; and
  - vii. co-ordinate the implementation of the development plan;
- k) engage, in consultation with TKEMKT, up to 4 project manager understudies;
- l) engage the services of an on-call operations manager;



- m) develop Project Deliverables for Phase 2; and
- n) update the Project Budget in relation to Phase 2.

The primary focus during Phase 1 is to set up an entity that will operate independently of its owners/shareholders to develop a profitable and sustainable business model for the Land Block owners that aligns with the PGF criteria and objectives.

Up to \$200,000 (plus GST) under this Agreement will be available to be applied to Phase 1.

## **PHASE 2**

During Phase 2, the Recipient must use the Funding to complete the work against the agreed Project milestones, as amended based on feasibility studies and approved by the Funder, to likely include but not limited to:

- a) the planting and growing of vines (including niche varieties) until production which includes:
  - i. Clearing, maintenance, beautification;
  - ii. Fencing;
  - iii. Land treatment;
  - iv. Water/irrigation solutions;
  - v. Storage;
  - vi. Compliance and biosecurity;
  - vii. Vines and support (plant, equipment, machinery hire); and
  - viii. Labour,
- b) harvesting
- c) the production and sale of wine;
- d) the training of staff in all aspects of viticulture;
- e) the development of a working model to allow substantial Ahuwhenua Trusts to umbrella smaller, currently uneconomic blocks to train and employ their own to develop viable enterprises on their land.

APPENDIX 2

Project Budget for Phase 1

| Nga Whenua Kaikohe Project (Commercial Information)                                  |                             |                             |                                |                              |                             |                              |                              |
|--------------------------------------------------------------------------------------|-----------------------------|-----------------------------|--------------------------------|------------------------------|-----------------------------|------------------------------|------------------------------|
| Phase 1: Hub Establishment and Feasibility                                           |                             |                             |                                |                              |                             |                              |                              |
|                                                                                      | Jun-<br><small>Comm</small> | Jul-<br><small>Comm</small> | Aug-<br><small>Commerc</small> | Sep-<br><small>Comme</small> | Oct-<br><small>Comm</small> | Nov-<br><small>Comme</small> | Dec-<br><small>Comme</small> |
| <b>Income</b>                                                                        | <b>INITIAL</b>              |                             |                                | <b>Phase 1 MS 1</b>          |                             | <b>Phase 1 MS 2</b>          |                              |
| PDU Funding                                                                          | 80,000                      |                             |                                | 60,000                       |                             | 60,000                       |                              |
| <b>TOTAL INCOME</b>                                                                  | <b>80,000</b>               |                             |                                | <b>60,000</b>                |                             | <b>60,000</b>                |                              |
| <b>Co-op Hub</b>                                                                     |                             |                             |                                |                              |                             |                              |                              |
| <b>PHASE 1: Forming a legal Structure and feasibility testing of all five blocks</b> |                             |                             |                                |                              |                             |                              |                              |
| Project Manager <small>Commercial Information</small>                                |                             |                             |                                |                              |                             | Commercial Info              | Commercial Info              |
| Operations Manager variable <small>Commercial Information</small>                    |                             |                             |                                |                              |                             |                              |                              |
| Project Administrator <small>Commercial Information</small>                          |                             |                             |                                |                              |                             |                              |                              |
| Member support (meetings, training, support)                                         | Commercial                  | Commercial In               | Commercial I                   | Commercial Inf               | Commercial Info             |                              |                              |
| Project Office costs & overheads                                                     |                             |                             |                                |                              |                             |                              |                              |
| Financial costs (fm plans & contingency)                                             |                             |                             |                                |                              |                             |                              |                              |
| Legal costs                                                                          |                             |                             |                                |                              |                             |                              |                              |
| Compliance costs <small>Commercial Inform</small>                                    |                             |                             |                                |                              |                             |                              |                              |
| Block Plans & Details                                                                |                             |                             |                                |                              |                             |                              |                              |
| Contingency                                                                          |                             |                             |                                |                              |                             |                              |                              |
| Viticulturist services                                                               |                             |                             |                                |                              |                             |                              |                              |
| Technical advice                                                                     |                             |                             |                                |                              |                             |                              |                              |
| Research (ie. Plant & Food Ltd)                                                      |                             |                             |                                |                              |                             |                              |                              |
| Analysis, Assessment, Monitoring & Evaluation                                        |                             |                             |                                |                              |                             |                              |                              |
| Market Research                                                                      |                             |                             |                                |                              |                             |                              |                              |
| Member knowledge enhancement                                                         |                             |                             |                                |                              |                             |                              |                              |
| <b>SUBTOTALS</b>                                                                     | Commercial Inf              | Commercial In               | Commercial Inf                 | Commercial Inform            | Commercial Inf              | Commercial Inf               | Commercial Info              |