

Shareholders' Agreement
relating to
**Wellington Regional Economic
Development Agency**

Wellington City Council
Wellington Regional Council

Draft

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Parties

Wellington City Council (WCC)

Wellington Regional Council (GWRC)

Background

- A The parties are shareholders in Wellington Regional Economic Development Agency Limited (**Company**) and wish to enter into this agreement for the purpose of recording the agreements they have reached in relation to managing their shareholdings in the Company and their respective relationships with each other.
- B The Company provides services related to economic development, Venues, Major Events, Tourism Activities and the Destination Wellington programme.

Operative provisions

1 Shareholder obligations

Duty to comply with Constitution

- 1.1 Each Shareholder will comply with the Company's Constitution.

Council controlled organisation

- 1.2 The Shareholders acknowledge that the Company is a council controlled organisation and they will each use their best endeavours to ensure that they each comply with their, and the Company complies with its, obligations under the LGA and the Companies Act.

Security Interest

- 1.3 A Shareholder must not grant a Security Interest over any of its Shares without the written consent of the other Shareholders.

2 Shareholders

- 2.1 The parties acknowledge that at the date of this agreement the Shares in the Company are structured so that each Shareholder holds Shares as set out in the table below and that the ratio of Shares held by each Shareholder approximately equates to the Minimum Base Funding contributed by each Shareholder:

Name of Shareholder	Number of Shares held	Value of Shares held
WCC	800	\$800
GWRC	200	\$200

3 Funding of the Company

Minimum Base Funding

- 3.1 Subject to clauses 3.4 and 3.5, the Shareholders will provide the Minimum Base Funding to the Company until at least 1 July 2019.
- 3.2 Each Shareholder will enter into a Funding Agreement with the Company in respect of the Actual Base Funding that Shareholder will supply to the Company in each Financial Year. If a Shareholder intends to provide Actual Base Funding different from the Minimum Base Funding, then it will notify the other Shareholders as soon as reasonably practicable and no later than 31 December in the year preceding the Financial Year for which the Actual Base Funding will be changed.
- 3.3 Subject to clause 3.4, each Shareholder will pay to the Company, the Actual Base Funding in accordance with its Funding Agreement,
- 3.4 The Venues Maintenance Funding:
- 3.4.1 is deemed to be included in WCC's Minimum Base Funding and Actual Base Funding (as applicable);
 - 3.4.2 will be applied directly to the Venues by WCC; and
 - 3.4.3 will not be paid to the Company.

Adjustment to Shareholding where proportion of Funding changes

- 3.5 If a Shareholder pays no Minimum Base Funding to the Company in any Financial Year then this agreement will terminate and clause 11.6 applies.
- 3.6 From 1 July 2017, where a Shareholder's Actual Base Funding for a Financial Year:
- 3.6.1 falls 10% or more below the Minimum Base Funding; or
 - 3.6.2 increases 10% or more above the Minimum Base Funding,

Shareholdings will be adjusted (either by way of share transfer at their nominal value or issue of new Shares as agreed by the parties), in accordance with the formula set out in clause 3.8, so that each Shareholder holds the proportion of Shares which corresponds to the proportion of funding it is committing to contribute to the Company and clause 14.5 applies.

3.7 Where clause 3.6 has been applied in any year (**Year A**), unless otherwise agreed by the parties, clause 3.6 will apply in future years (**Year B**) as if the Actual Base Funding used to calculate the adjusted Shareholdings in Year A were the Minimum Base Funding for the purposes of determining whether clause 3.6 should apply in Year B.

3.8 The following formula will be used to determine the Shareholders' Shareholdings where clause 3.6 applies:

$$A + B = C$$

Where:

A = $(D / F) \times 100$ being the percentage of shares to be held by WCC

B = $(E / F) \times 100$ being the percentage of shares to be held by GWRC

C = 100%

D = the Actual Base Funding contributed by WCC for the applicable Financial Year

E = the Actual Base Funding contributed by GWRC for the applicable Financial Year

F = $(D + E)$ being the total Actual Base Funding of the Company for the applicable Financial Year

3.9 If another Shareholder becomes party to this agreement then clause 3.8 will be amended accordingly.

4 WRS Committee

4.1 The Shareholders acknowledge the governance role of the WRS Committee in relation to the Company and note that the functions of the WRS Committee are set out in the WRS Committee's terms of reference and the Multilateral Agreement to which the Shareholders are party.

5 Composition and powers of the Board

The Board

5.1 The Shareholders acknowledge that the WRS Committee's role includes recommending to the Shareholders persons to be appointed as Directors of the Company.

5.2 The Shareholders agree that all Directors must be Independent Directors appointed in accordance with clause 5.6 and the Board Skills Matrix subject to the maximum number of Directors permitted under the Constitution.

- 5.3 An appointee must not be a person disqualified from acting as a Director under the Companies Act.
- 5.4 Otherwise, the Directors are to be appointed and removed in accordance with the terms of the Constitution and this agreement.
- 5.5 A performance evaluation of the Board will be undertaken by the Board on an annual basis, in line with accepted good governance principles and practices, and the results will be reported directly to the Chair of the WRS Committee and to the Chief Executives of the Shareholders.

Appointment of Directors

- 5.6 The Shareholders agree that notwithstanding the Company's constitution, Directors will be appointed as follows:
- 5.6.1 The Shareholders will appoint Directors jointly on the recommendation of the WRS Committee (including any reconsidered recommendation) and taking into account the Board Skills Sets at Schedule 1.
- 5.6.2 The Directors first appointed to the Company after the date of this agreement will be appointed for two, three or four year terms as follows:
- (a) Two Directors will be appointed for four year terms;
 - (b) Three Directors will be appointed for three year terms; and
 - (c) Three Directors will be appointed for two year terms,
- 5.6.3 The Shareholders will agree the term for which individual Directors are appointed pursuant to clause 5.6.2 or, failing such agreement or at the Shareholders' election, the individual Directors' terms will be determined by drawing lots.
- 5.6.4 Subject to clause 5.6.2, Directors will be appointed to the Company for a three year term and each Director can serve a maximum of six years after which they must either resign or be removed as a Director unless the Shareholders agree to extend the Director's term of office.
- 5.6.5 Where the WRS Committee has not made a recommendation in respect of one or more Directors appointments. the Shareholders will jointly appoint such Directors.
- 5.6.6 Where the Shareholders do not agree on the appointment of one or more Directors the dispute resolution procedure in clause 10 will apply subject to clause 5.6.7.
- 5.6.7 If the Shareholders fail to reach an agreement by negotiation or mediation pursuant to the procedure in clause 10, or if the Shareholders agree unanimously that the following procedure should apply, then each

Shareholder will have the right to appoint a number of Directors based on the percentage of Shares in the Company that Shareholder holds.

Chief Executive Officer

- 5.7 The Board will be responsible for appointing and monitoring the performance of the Company's Chief Executive Officer.
- 5.8 The Board of Directors will be responsible for setting the remuneration of the Chief Executive Officer. However, noting the public nature of this entity the Chair of the Board will liaise with the Shareholders prior to finalising the Chief Executive Officer's remuneration and any changes thereafter.

6 Statement of Intent

- 6.1 The parties agree that the business of the Company is expected to be conducted in accordance with its Statement of Intent, which must be prepared in accordance with the LGA.
- 6.2 Each Shareholder retains its rights under the LGA to comment on and decide whether to approve a Statement of Intent, but will use its best endeavours to co-ordinate its feedback in accordance with the procedure set out in this clause 6.
- 6.3 The Shareholders will agree to exercise their power to approve the Letter of Expectation via the WRS Committee.
- 6.4 No later than 20 December in each year, or an alternative date agreed by the Shareholders, the chairperson of the WRS Committee will circulate the agreed Letter of Expectation to the Chairperson of the Board, the Chief Executive of the Company and to each Shareholder.
- 6.5 The Shareholders will procure that the draft Statement of Intent prepared by the Company is provided to the WRS Committee and will exercise its powers in relation to the draft Statement of Intent via the WRS Committee.
- 6.6 The Company will deliver the draft Statement of Intent to the WRS Committee and the Shareholders by 1 March each year.
- 6.7 The WRS Committee will, in accordance with the Terms of Reference, meet and consider the draft Statement of Intent including any comments from the Shareholders and will agree feedback and recommendations in respect of the draft Statement of Intent to be provided to the Shareholders and the Company by 1 May
- 6.8 Each Shareholder will receive the Company's final Statement of Intent by 15 June or such other date as agreed between the parties.
- 6.9 Each Shareholder may formally consider the final Statement of Intent by 30 June in each year.

- 6.10 The parties acknowledge that under the LGA, the Shareholders may jointly, by resolution, require the Board to modify its Statement of Intent.

7 Shareholder amalgamation

- 7.1 In the event of an amalgamation or any other change in the regional governance structure of a Shareholder, the parties will meet and discuss the effect of the amalgamation on the shareholding structure of the Company and will exercise their voting rights to ensure that the shareholding percentages for both classes of shares remain reasonable as agreed by all Shareholders.

8 Conduct by the Shareholders

Spirit of collaborative working

- 8.1 The Shareholders must at all times act in a spirit of co-operation and collaborative working, endeavouring to act together to allow for the effective communication of Shareholder intentions or requirements to the Company.
- 8.2 The Shareholders will use best endeavours to act under the principle of no surprises, both with the Company and with each other in relation to their respective interests.

9 Deed of Accession

- 9.1 The Shareholders will procure that the Company must not allot or issue or register a transfer of any Shares or any other securities in the Company to any person who is not a party to this agreement until that person has executed and delivered to the Company a Deed of Accession.
- 9.2 Any allotment, issue or transfer is void and of no effect unless and until the relevant Deed of Accession has been delivered.

10 Dispute resolution

Application of procedures

- 10.1 The procedures set out below must be followed in relation to the resolution of a dispute amongst the Shareholders concerning either of the following:
- 10.1.1 this agreement, its subject matter, the rights or liabilities under this agreement or the negotiations leading to it; or
 - 10.1.2 the conduct of the business or affairs of the Company.

Notice in writing

- 10.2 If a party claims that a dispute has arisen, that party must give written notice to the other parties. The written notice must specify the nature of the dispute.

Escalation

- 10.3 The Representatives will be responsible for dealing with any disputes in a timely manner.

Negotiation in good faith

- 10.4 On receipt of a notice delivered in accordance with clause 10.2 and before any party may refer a dispute to mediation, the Representatives must, in good faith and acting reasonably, do their best to resolve the difficulty quickly and efficiently through negotiation.
- 10.5 If any Representative considers that the dispute is not being resolved in a timely manner, such Representative may serve written notice on the other parties' Representatives to escalate the dispute to the Chief Executives (where the Representatives are not the Chief Executive) of the applicable Shareholders for resolution.
- 10.6 If the issue has not been resolved within 30 days (or within such other period as agreed by the parties) of the date of the notice referred to in clause 10.2, any party may submit the dispute to mediation.

Mediation

- 10.7 If the parties do not resolve the difficulty by negotiation, the parties must, in good faith and acting reasonably, do their best to resolve the difficulty by participating in mediation with an independent mediator.
- 10.8 If the parties do not agree on a mediator, then the mediator will be appointed by the President of the New Zealand Law Society.
- 10.9 The parties must mediate the difficulty in accordance with principles agreed between them or, if no agreement can be reached, the principles determined by the mediator.
- 10.10 Unless the parties agree otherwise, the mediator's fee and any other costs of the mediation itself (such as for venue hire or refreshments) will be shared equally between the parties, but the parties will each pay their own costs of preparing for and participating in the mediation (such as for travel and legal representation).

Implementation of agreement reached through negotiation or mediation

- 10.11 The parties must do whatever is reasonably necessary to put into effect any negotiated or mediated agreement or other resolution. This includes exercising voting rights and other powers as required.

Rights and obligations during a dispute

- 10.12 During a dispute, each party must continue to perform its obligations under this agreement.

Interlocutory relief and right to terminate

- 10.13 This clause does not restrict or limit the right of a party to obtain interlocutory relief, or to immediately terminate this agreement where this agreement provides such a right.

11 Termination

Duration

- 11.1 This agreement commences on its execution date in accordance with its terms and continues until one Shareholder holds all of the Shares or none of the Shareholders hold Shares or until terminated earlier in accordance with clause 11.3.
- 11.2 No Shareholder is entitled to terminate this agreement except as expressly permitted in this agreement.

Termination for default

- 11.3 This agreement will terminate if an Insolvency Event occurs in relation to the Company.
- 11.4 Any Shareholder may terminate this agreement with respect to another Shareholder if that other Shareholder is in breach of any obligation under this agreement that continues for more than 60 days after the Shareholder receives written notice of it.

Termination by notice

- 11.5 Any Shareholder may withdraw from being a Shareholder and a party to this agreement by giving 36 months' prior written notice to the Company and to all other Shareholders.

Right of first refusal

- 11.6 Subject to clauses 11.7 to 11.9, if a Shareholder ceases to be a party to this agreement or a Shareholder in the Company for any reason, the Shareholder must transfer its Shares to the remaining Shareholders pro rata to their respective shareholdings for nominal consideration and the remaining Shareholder will accept such Shares.
- 11.7 If GWRC ceases to be a Shareholder in the Company for any reason, it will first offer its Shares to each Regional Territorial Authority in accordance with clause 11.8 using the following rating base proportion formula:

$$(A / B) \times 100 = C$$

Where:

A = the sum collected from the ratepayers of the Regional Territorial Authority in the previous Financial Year under the Targeted Rate.

B = the sum collected from all ratepayers in the Wellington Region in the previous Financial Year under the Targeted Rate.

C = the percentage of GWRC's Shares that the Regional Territorial Authority will be offered by GWRC.

- 11.8 Any offer of GWRC Shares under clause 11.7 will be for the Share's nominal value but will be subject to the requirement that:

11.8.1 each year the Regional Territorial Authority will provide at least the same proportion of Actual Base Funding as GWRC made to the Company in respect of those Shares in the Financial Year immediately prior to the year in which the Shares are offered to the Regional Territorial Authority; and

11.8.2 the Regional Territorial Authority signs a Deed of Accession.

11.9 Any Shares not accepted by a Regional Territorial Authority in accordance with the requirements in clause 11.8 will be offered to WCC at its nominal value and WCC will accept those Shares for their nominal value.

Effect of termination

11.10 Any termination of this agreement with respect to a Shareholder does not affect any accrued rights that Shareholder may have against the other parties to this agreement or which the other parties to this agreement may have against it.

11.11 Clause **Error! Reference source not found.** continues to apply to the parties despite any termination of this agreement.

12 Announcements

12.1 Each Shareholder agrees that it will not make any public announcements or issue media releases in connection with, or on behalf of, the other Shareholder or the WRS Committee in relation to the Company. Nothing in this provision will prohibit or restricts a Shareholder from making a public announcement or media release in connection with the Shareholder's own involvement with, or policies in relation to, the WRS Committee or the Company.

13 Notices

Giving notices

13.1 Any notice or communication given to a party under this agreement is only given if it is in writing and sent in one of the following ways:

13.1.1 Delivered or posted to that party at its address and marked for the attention of the relevant department or officer (if any) set out below.

13.1.2 Emailed to that party at its email address and marked for the attention of Representative set out below.

WCC

Address: []

Email: []

Attention: [Chief Executive]

GWRC

Address: []
Email: []
Attention: [Chief Executive]

Change of details

13.2 If a party gives the other party three business days' notice of a change of its postal address or email address, any notice or communication is only given by that other party if it is delivered, posted or emailed to the latest postal address or email address.

Time notice is given

13.3 Any notice or communication is to be treated as given at the following time:

13.3.1 If it is delivered, when it is left at the relevant address.

13.3.2 If it is sent by post, three business days after it is posted.

13.3.3 If it is sent by email, when it is received in readable form addressed in the manner specified above.

13.4 However, if any notice or communication is given, on a day that is not a business day or after 5pm on a business day, in the place of the party to whom it is sent it is to be treated as having been given at the beginning of the next business day.

14 Miscellaneous**Assignments and transfers**

14.1 A party must not assign or transfer any of its rights or obligations under this agreement without the prior written consent of each of the other parties.

Costs

14.2 Except as otherwise set out in this agreement, each party must pay its own costs and expenses, including legal costs and expenses, in relation to preparing, negotiating, executing and completing this agreement and any document related to this agreement.

Entire agreement

14.3 This agreement contains everything the parties have agreed in relation to the subject matter it deals with. No party can rely on an earlier written document or anything said or done by or on behalf of another party before this agreement was executed.

Execution of separate documents

14.4 This agreement is properly executed if each party executes either this agreement or an identical document. In the latter case, this agreement takes effect when the separately executed documents are exchanged between the parties.

Further acts

- 14.5 Each party must at its own expense promptly execute all documents and do or use reasonable endeavours to cause a third party to do all things that another party from time to time may reasonably request in order to give effect to, perfect or complete this agreement and all transactions incidental to it.

Inconsistency with Constitution

- 14.6 If there is any inconsistency between this agreement and the Constitution then the parties agree to abide by this agreement and to do everything required to change the Constitution so that it is consistent with this agreement.

No partnership or agency

- 14.7 Nothing contained or implied in this agreement will create or constitute, or be deemed to create or constitute, a partnership between the parties. A party must not act, represent or hold itself out as having authority to act as the agent of or in any way bind or commit the other parties to any obligation.

No reliance on other matters

- 14.8 Each of the parties acknowledges that in agreeing to enter into this agreement it has not relied on any representation, warranty or other assurance except those set out in this agreement.

Severability

- 14.9 Each provision of this agreement is individually severable. If any provision is or becomes illegal, unenforceable or invalid in any jurisdiction it is to be treated as being severed from this agreement in the relevant jurisdiction, but the rest of this agreement will not be affected.

Variation

- 14.10 No variation of this agreement will be of any force or effect unless it is in writing and signed by the parties to this agreement.

Waivers

- 14.11 A waiver of any right, power or remedy under this agreement must be in writing signed by the party granting it. A waiver is only effective in relation to the particular obligation or breach in respect of which it is given. It is not to be taken as an implied waiver of any other obligation or breach or as an implied waiver of that obligation or breach in relation to any other occasion.
- 14.12 The fact that a party fails to do, or delays in doing, something the party is entitled to do under this agreement does not amount to a waiver.

15 Definitions and interpretation**Definitions**

- 15.1 In this agreement the following definitions apply:

Actual Base Funding means the funding by a Shareholder to the Company in respect of a Financial Year in accordance with a Funding Agreement.

Board means the board of directors for the time being of the Company.

Board Skills Matrix means the board skills matrix set out in Schedule 1 as amended from time to time by approval of the WRS Committee.

Company means Wellington Regional Economic Development Agency Limited.

Companies Act means the Companies Act 1993.

Confidential Information has the meaning set out in clause **Error! Reference source not found.**

Constitution means the constitution of the Company.

Deed of Accession means a deed of accession in the form set out in Schedule 3.

Director means a director for the time being of the Company.

Financial Year means the year commencing on 1 July and ending on 30 June.

Funding Agreement means a funding agreement between a Shareholder and the Company.

Independent Director means a Director appointed by the Shareholders jointly by agreement and who is neither a member (including Councillors and Mayors) of nor a person employed by any Local Authority (as defined under the LGA) nor the Chief Executive Officer or any other employee of the Company.

Insolvency Event in relation to a party means anything that reasonably indicates that there is a significant risk that that party is or will become unable to pay its debts as they fall due. This includes any of the following:

- (a) The party's liabilities exceed its assets.
- (b) A meeting of the party's creditors being called or held.
- (c) A step being taken to liquidate the party.
- (d) A step being taken to have a receiver, receiver and manager, administrator, liquidator or provisional liquidator appointed to the party or any of its assets or such an appointment taking place.
- (e) The party entering into any type of arrangement with, or assignment for, the benefit of all or any of its creditors including any formal arrangement or compromise under the Companies Act.
- (f) The party ceases or threatens to cease to carry on its main business.

Letter of Expectation means a letter from the Shareholders to the Board setting out the expectations of the Shareholders in relation to the Company's Statement of Intent. The process for agreeing such a letter is set out in clause 6.

LGA means the Local Government Act 2002.

Major Events means those events which are supported by funding from WCC and which WCC considers are a key economic contributor to the Wellington Region by attracting visitors and providing employment opportunities.

Minimum Base Funding means the minimum base funding of the Company by the Shareholders for each year as set out in Schedule 2.

Multilateral Agreement means the Agreement signed by all the Regional Territorial Authorities and which sets the framework for the WRS Committee.

Regional Territorial Authority means a Territorial Authority whose ratepayers contribute to the Targeted Rate.

Related Person has in relation to companies and natural persons, the same meaning as 'Related company' and 'Relative' under the Companies Act 1993 and in relation to the trustees of a trust includes the settlor and beneficiaries of the trust and any person holding the power to appoint and remove trustees or beneficiaries of the trust.

Representative means any person appointed by a Shareholder as its representative for the purposes of this agreement, including as the primary point of contact for the other Shareholders and to the WRS Committee and, at the date of this agreement, means the Chief Executive of each Shareholder.

Security Interest includes a mortgage, debenture, charge, lien, pledge, assignment or deposit by way of security, bill of sale, lease, hypothecation, hire purchase, credit sale, agreement for sale on deferred terms, option, right of pre-emption, caveat, claim, covenant, interest or power in or over an interest in an asset and any agreement or commitment to give or create any such security interest or preferential ranking to a creditor including set off.

Shareholder means a shareholder in the Company and includes any person who subsequently becomes a shareholder. Where Shares are held by persons jointly, those persons are considered one Shareholder for the purpose of this agreement.

Shares means shares in the Company.

Statement of Intent means each statement of intent to be completed annually by the Board in accordance with the LGA.

Targeted Rate means the targeted regional economic development rate set by GWRC.

Territorial Authority has the meaning given to that term by the LGA.

Tourism Activities means activities which market the Wellington Region as an attractive place to live and do business and which attract visitors to Wellington city.

Venues means the venues owned by WCC and to be operated by the Company pursuant to a management agreement and includes, at the date of this agreement, the St James Theatre, the Opera House, Michael Fowler Centre, Shed 6 and the TSB Arena.

Venues Maintenance Funding means the funding to be applied to maintenance of the Venues as set out in Schedule 2.

Wellington Region means the Wellington Region as defined in clause 6 of the Local Government (Wellington Region) Reorganisation Order 1989 referred to in Schedule 2 of the LGA.

WRS Committee means the GWRC standing committee known as the Wellington Regional Strategy Committee.

Interpretation

- 15.2 In the interpretation of this agreement, the following provisions apply unless the context otherwise requires:
- 15.2.1 Headings are inserted for convenience only and do not affect the interpretation of this agreement.
 - 15.2.2 A reference in this agreement to a business day means a day other than a Saturday or Sunday on which banks are open for business generally in Wellington, New Zealand.
 - 15.2.3 If the day on which any act, matter or thing is to be done under this agreement is not a business day, the act, matter or thing must be done on the next business day.
 - 15.2.4 A reference in this agreement to dollars or \$ means New Zealand dollars and all amounts payable under this agreement are payable in New Zealand dollars.
 - 15.2.5 A reference in this agreement to any law, legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision.
 - 15.2.6 A reference in this agreement to any agreement or document is to that agreement or document as amended, novated, supplemented or replaced.
 - 15.2.7 A reference to a clause, part, schedule or attachment is a reference to a clause, part, schedule or attachment of or to this agreement. Any schedules and attachments form part of this agreement.

- 15.2.8 An expression importing a natural person includes any company, trust, partnership, joint venture, association, body corporate or governmental agency.
- 15.2.9 Where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning.
- 15.2.10 A word which denotes the singular denotes the plural, a word which denotes the plural denotes the singular, and a reference to any gender denotes the other genders.
- 15.2.11 References to the word 'include' or 'including' are to be construed without limitation.
- 15.2.12 A reference to this agreement includes the agreement recorded in this agreement.

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Execution and date

Executed as an agreement.

Date:

Wellington City Council by:

In the presence of:

.....
Authorised signatory.....
Witness.....
Name of authorised signatory (print).....
Name of witness (print).....
Designation of authorised signatory.....
Occupation and address of witness**Wellington Regional Council** by:

In the presence of:

.....
Authorised signatory.....
Witness.....
Name of authorised signatory (print).....
Name of witness (print).....
Designation of authorised signatory.....
Occupation and address of witness

Schedule 1

Board Skills Matrix

- 1 Directors will need significant business and commercial acumen and experience along with a strong understanding of corporate governance.
- 2 Collectively the Directors should have strong connections to and expertise in the following areas:
 - 2.1 Tourism and hospitality
 - 2.2 Major events
 - 2.3 Science and education (especially at a tertiary or research level)
 - 2.4 Primary sector and manufacturing
 - 2.5 Information Technology / technology services
 - 2.6 Creative, film production, digital and performing arts
 - 2.7 Professional services
 - 2.8 Start-up businesses, innovation and venture capital

Schedule 2

- 1 The Minimum Base Funding to be contributed to the Company in the Financial Year ending 30 June 2015 is as follows:
 - 1.1 For GWRC [*insert sum*]
 - 1.2 For WCC [*insert sum*]

- 2 The Minimum Base Funding to be contributed to the Company each Financial Year from 1 July 2015 by each Shareholder is as follows:
 - 2.1 For GWRC: \$4 million
 - 2.2 For WCC: \$16 million (including the Venues Maintenance Funding incurred directly by WCC)

- 3 The Venues Maintenance Funding will average \$4 million per Financial Year based on a rolling 3 year average and will be directed by WCC to the maintenance by WCC of the Venues.

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Schedule 3

Deed of Accession

By:

[*Proposed New Shareholder*] of [Address] (**Proposed New Shareholder**)

Background

- A The shareholders of Wellington Regional Economic Development Agency Limited have entered into a shareholders agreement dated [*date*] (**Shareholders' Agreement**).
- B The Proposed New Shareholder wishes to become a shareholder in the Company and has agreed to be bound by the terms of the Shareholders' Agreement.

Operative provisions

1 Copy of Shareholders' Agreement

- 1.1 The Proposed New Shareholder confirms that it has received a copy of the Shareholders' Agreement.

2 Agreement to be bound by terms of Shareholders' Agreement

- 2.1 The Proposed New Shareholder covenants with all parties currently bound by the Shareholders' Agreement (whether by being original parties to the document or by accession) to observe, perform and be bound by all the terms of the Shareholders' Agreement as if the New Shareholder is a party to the Shareholders' Agreement.
- 2.2 The Proposed New Shareholder will be deemed to be party to the Shareholders' Agreement on and from the date on which the Proposed New Shareholder is registered as a shareholder of the Company.

3 Funding

- 3.1 [***Include this clause if the Shares are to be transferred by GWRC to a Regional Territorial Authority***] [If the Proposed New Shareholder becomes a shareholder of the Company, each Financial Year the Proposed New Shareholder will provide at least [***insert sum equivalent to the proportion of Actual Base Funding GWRC made to the Company in the Financial Year immediately prior to the year in which the Shares are offered to the Proposed New Shareholder in respect of***

the Shares the Proposed New Shareholder proposes accepting] and this will be the Proposed New Shareholder's Minimum Base Funding.

4 Address for services

4.1 The address of the Proposed New Shareholder for the purposes of the Shareholders' Agreement is set out below:

Proposed New Shareholder

Name: [Name]
Address: [Postal address]
Fax number: [Fax number]
Email: [Email address]
Attention: [Name]

5 Governing law

5.1 This agreement is governed by the law of New Zealand.

Execution and date

Executed as a deed.

Date:

Signed by **[Name in bold]** in the presence of:

.....
Signature of witness

.....
Signature of [Name]

.....
Name of witness (print)

.....
Occupation of witness

.....
Address of witness