

Stapling Deed

Stride Property Limited

Stride

and

Stride Investment Management Limited

SIML

Date

BELL GULLY

WELLINGTON 171 FEATHERSTON STREET
P O BOX 1291, WELLINGTON 6140, DX SX11164, NEW ZEALAND
TEL 64 4 915 6800 FAX 64 4 915 6810

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This **Stapling Deed** is made on 2016

between (1) **Stride Property Limited (Stride)**

and (2) **Stride Investment Management Limited (SIML)**

Introduction

- A Stride is the issuer of the Stride Shares.
- B SIML is the issuer of the SIML Shares.
- C The Stride Constitution and the SIML Constitution each provide for Stapling.
- D This Deed sets out the terms and conditions of the relationship between Stride and SIML in respect of Stride Shares and SIML Shares for so long as they remain Stapled.

1. Definitions and Interpretation

1.1 Definitions

In this Deed, unless the context otherwise requires:

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

Commencement Date means the date of this Deed;

Companies Act means the Companies Act 1993;

Constitution means the Stride Constitution and/or the SIML Constitution as the case may be;

Equity Security has the meaning given to that term in the Listing Rules;

Explanatory Memorandum means the explanatory memorandum and notice of meeting sent to Shareholders and to NZX describing the Stapling, dated 10 June 2016;

FMC Act means the Financial Markets Conduct Act 2013;

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

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

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

Listing Rules means the NZX Main Board/Debt Market Listing Rules in force from time to time having regard to any Waivers;

Management Agreement means the management agreement between Stride and SIML dated 10 June 2016, under the terms of which SIML manages Stride and its property portfolio;

NZGAAP means generally accepted accounting practice in New Zealand;

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

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

Security has the meaning given in the Listing Rules;

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

SIML means Stride Investment Management Limited;

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

SIML Share means an ordinary share in the capital of SIML;

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

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

Stapled Group means, collectively, Stride, SIML and each of their respective Subsidiaries, and **Group Member** means any one or more of them;

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

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

Stapling means the linking process that results in each Stride Share and each SIML Share (or any Other Securities issued by Stride and SIML that are agreed to be linked) being and remaining Stapled to each other;

Stapling Commencement Date means such date, as determined by Stride and SIML and announced through NZX, as being the date on which Stapling becomes effective;

Stride means Stride Property Limited;

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

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

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

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

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

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

1.2 Defined terms

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

1.3 Interpretation

In this Deed, unless the context otherwise requires:

(a) **Contra proferentem**

no provision of this Deed will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this Deed or that provision;

(b) **Gender**

words denoting a gender include all genders;

(c) **Inclusive expressions**

specifying anything in this Deed after the words 'including', 'includes' or 'for example' or similar expressions does not limit what else is included unless there is express wording to the contrary;

(d) **Laws**

references to a law:

- (i) includes a reference to any constitutional provision, subordinate legislation, treaty, decree, convention, statute, regulation, rule, ordinance, proclamation, by-law, judgment, rule of common law or equity or rule of any applicable stock exchange;
- (ii) is a reference to that law as amended, consolidated, re-enacted, supplemented or replaced (whether before or after the Commencement Date); and
- (iii) is a reference to any regulation, rule, ordinance, proclamation, by-law or judgment made under that law;

(e) **Listing Rules**

a reference to a Listing Rule includes that Listing Rule as amended or substituted;

(f) Other parties

a reference to a body, other than a party to this Deed (including, without limitation, an institute, association or authority), whether statutory or not:

- (i) which ceases to exist; or
- (ii) whose powers or functions are transferred to another body,

is a reference to the body which replaces it or which substantially succeeds to its powers or function;

(g) Parties

a reference to a party or a person includes any form of entity and that party's successors and permitted assigns;

(h) Part performance

a reference to anything (including, but not limited to, any right) includes a part of that thing but nothing in this clause 1.3 implies that performance of part of an obligation constitutes performance of the obligation;

(i) Singular includes plural

words importing the singular include the plural and vice versa;

(j) References

other parts of speech and grammatical forms of a word or phrase defined in this Deed have a corresponding meaning;

(k) Writing

references to **written** or in **writing** include all modes or reproducing words and figures in a tangible and permanently visible form, including email; and

(l) Variation

a reference to a document, including this Deed, include that document as modified, novated, varied or replaced from time to time.

1.4 Headings and table of contents

In this Deed, the table of contents and headings are inserted for convenience and do not affect the interpretation of this Deed.

2. Objectives and general obligations

2.1 Objectives

The primary objectives of Stride and SIML in entering into this Deed are to:

- (a) provide for their ongoing relationship as companies whose ordinary shares are Stapled so that they form a single Stapled group, with common shareholders who at all times each hold the same number of shares in each company;
- (b) maintain the Listing of each of them, and the quotation of Stapled Securities as a single tradeable security, on the NZX Main Board;
- (c) to mitigate any potential adverse tax consequences for Stride and SIML, including from non-compliance with the binding tax ruling issued to Stride by Inland Revenue (dated 26 May 2016) and/or any future taxation ruling, and/or any other Inland Revenue correspondence, instruction or guidance;
- (d) ensure that each of them is able to conduct its business in accordance with the strategies and plans set by its board of directors; and
- (e) maximise the sustainable value of the Stapled Group.

2.2 Good Faith

To fulfil the objectives specified in clause 2.1, Stride and SIML each undertake to the other to:

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

2.3 Amendment

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

3. Stapled Securities

3.1 Stride Shares and SIML Shares to be Stapled

- (a) On and from the Stapling Commencement Date:
 - (i) each Stride Share and SIML Share must be Stapled;
 - (ii) Stride must not issue a Stride Share unless a SIML Share is also issued by SIML at the same time and to the same person;

- (iii) SIML must not issue a SIML Share unless a Stride Share is also issued by Stride at the same time and to the same person; and
 - (iv) each of Stride and SIML must not issue any Security (other than a Stride Share or SIML Share that is issued in accordance with the provisions of this Deed), or any right or option to acquire a Security (including, for the avoidance of doubt, a right or option to acquire a Stride Share or SIML Share) without the prior agreement of the other party to the proposed issue and the terms on which such Security, or right or option, is to be issued (which agreement cannot be unreasonably withheld).
- (b) Each Stride Share and SIML Share must on issue, be Stapled.

3.2 Dealings in Stapled Securities

(a) **Compliance with law**

Notwithstanding any other provision of this Deed, neither party is obliged to buy-back, cancel, redeem, transfer or issue any shares, or take any other corporate action affecting its shares if doing so would be inconsistent with its Constitution or any contractual or fiduciary obligation or law by which it is bound, or if it does not have any necessary consent or approval to do so.

(b) **Forfeiture**

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

(c) **No Unstapling**

On and from the Stapling Commencement Date, Stride and SIML must not:

- (i) do any act, matter or thing (including registering any transfer of any Stride Share, SIML Share or other Security that is Stapled); or
- (ii) refrain from doing any act, matter or thing,

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

(d) **SIML Shares**

On and from the Stapling Commencement Date, SIML must not:

- (i) issue, sell or transfer a SIML Share to any person unless:
 - (A) a Stride Share is also issued, sold or transferred to that person by Stride at the same time; and
 - (B) that SIML Share is Stapled, on issue, to the Stride Share issued by Stride in accordance with clause 3.2(d)(i)(A) to form a Stapled Security; and

- (C) the price at which that SIML Share is to be issued, sold or transferred has been agreed between Stride and SIML (both parties acting reasonably) on the basis of the market price of the Stapled Securities (rather than the value of that SIML Share) unless the SIML Share is being issued in accordance with the terms of a right or option that was on issue as at the Commencement Date on the exercise of that right or option;
 - (ii) offer any SIML Shares for issue or sale unless the terms of that offer require each person applying for or accepting SIML Shares under it to apply also for or accept such number of Stride Shares as is equal to the number of SIML Shares being issued or sold to that person under the offer; or
 - (iii) cancel, buy-back or redeem a SIML Share unless there is at the same time a corresponding cancellation, buy-back or redemption by Stride of the Stride Share, or other Security issued by Stride, to which that SIML Share or other Security is Stapled; or
 - (iv) offer to buy back a SIML Share unless the terms of the buyback and the price at which the SIML Share is to be bought back (which price is to be determined on the basis of the then market price of the Stapled Securities rather than the value of the SIML Shares) have been agreed between SIML and Stride (both parties acting reasonably);
 - (v) register a transfer of a SIML Share or other Security issued by it unless the Stride Share or other Security issued by Stride to which that SIML Share or other Security is Stapled is also transferred to the same person at the same time.
- (e) **Stride Shares**

On and from the Stapling Commencement Date, Stride must not:

- (i) issue, sell or transfer a Stride Share to any person unless:
 - (A) SIML Share is also issued, sold or transferred to that person by SIML at the same time; and
 - (B) that Stride Share is Stapled, on issue, to the SIML Share issued by SIML in accordance with clause 3.2(e)(i)(A) to form a Stapled Security; and
 - (C) the price at which that Stride Share is to be issued, sold or transferred has been agreed between SIML and Stride (both parties acting reasonably) on the basis of the market price of the Stapled Securities (rather than the value of that Stride Share) unless the Stride Share is being issued in accordance with the terms of a right or option, that was on issue as at the Commencement Date on the exercise of that right or option;
- (ii) offer any Stride Shares for issue or sale unless the terms of that offer require each person applying for or accepting Stride Shares under its to apply also for or accept such number of SIML Shares as is equal to the number of Stride Shares being issued or sold to that person under the offer; or
- (iii) cancel, buy-back or redeem a Stride Share unless there is at the same time a corresponding cancellation, buy-back or redemption by SIML of the SIML Share, or other Security issued by it, to which that Stride Share or other Security is Stapled; or

- (iv) offer to buy back a SIML Share unless the terms of the buyback and the price at which the Stride Share is to be bought back (which price is to be determined on the basis of the then market price of the Stapled Securities rather than the value of the Stride Shares) have been agreed between Stride and SIML (both parties acting reasonably);
- (v) register a transfer of a Stride Share or other Security issued by it to any person unless the SIML Share or other Security issued by SIML to which that Stride Share or other Security is Stapled is also transferred to the same person at the same time.

3.3 Quotation

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

3.4 Joint certificates or joint holding statements

Stride and SIML must procure that joint certificates or joint holding statements are issued to each Holder.

3.5 Separate legal entities

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

3.6 No joint venture or partnership

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

4. Cooperation

4.1 Cooperation

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

(a) **Accounting policies**

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

(b) **Auditor**

maintain the same auditor or agree on any change of auditor so that any change of auditor is implemented for both Stride and SIML at the same time;

(c) Boards

have, to the extent permitted by the Companies Act and the Listing Rules, boards of directors which are identical, including by taking steps to ensure this structure is maintained;

(d) Corporate Actions

agree on the terms, conditions and timing of all:

(i) new issues (including under public offers, bonus or rights issues, placements or issues under dividend reinvestment plans); or

(ii) redemptions, buy-backs or cancellations,

of Stride Shares or SIML Shares (or other Securities or rights or options to acquire Stride Shares or SIML Shares that are, or are to be, Stapled);

(e) Development of business

develop, to the extent possible, SIML's real estate investment management business, by acquiring and holding assets and underwriting and investing in products developed by SIML, where agreed with SIML;

(f) Distribution

co-ordinate the declaration, announcement and payment of dividends and other distributions;

(g) Dividend Reinvestment Plan

co-ordinate in relation to the adoption and implementation of a dividend re-investment plan by either party;

(h) Employee Share Scheme

cooperate in relation to the adoption and implementation of any employee share scheme:

(i) to be offered to any employees of the Stapled Group; and/or

(ii) offered to any person prior to the date of this Deed and applicable to Stride or SIML such that any entitlement to Stride Shares or SIML Shares in accordance with the terms of that employee share scheme will be an entitlement to be issued Stapled Securities and each of Stride and SIML will issue such numbers of shares as may be required to achieve this;

(i) Management Agreement

comply with their respective obligations under the Management Agreement;

(j) Meetings

where appropriate or possible, hold Shareholder meetings concurrently or consecutively;

- (k) **NZX**
- (i) comply with their obligations under the Listing Rules, including the terms of any Waivers; and
 - (ii) co-ordinate the disclosures they are required to make to NZX and/or Holders by law or the Listing Rules;
- (l) **Objectives**
- achieve the objectives set out at clause 2.1 of this Deed;
- (m) **Taxation**
- comply with all applicable taxation laws, including to ensure Stride's continuing taxation status as a Portfolio Investment Entity by refraining from doing any act, matter or thing that would compromise compliance with the terms and conditions of:
- (i) the binding tax ruling issued to Stride by Inland Revenue (dated 26 May 2016); and
 - (ii) any future taxation ruling, or similar; and
 - (iii) any other Inland Revenue correspondence, instruction or guidance;
- (n) **Valuation policies**
- adopt consistent valuation policies to the extent applicable; and
- (o) **Value of Stapled Securities**
- consult with each other before taking (or omitting to take) any action which may materially affect the value of the Stapled Securities.

4.2 Information

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

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

(d) **Confidentiality**

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

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

(e) **Winding up**

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

4.3 Restructuring

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

4.4 Apportionment of costs

- (a) If either Stride or SIML incurs costs for or on behalf or for the benefit of the Stapled Group, that party may seek reimbursement for those costs (**Reimbursement Costs**) from the other party by providing an invoice of the Reimbursement Costs to the other party.
- (b) Unless otherwise agreed, any Reimbursement Costs will be apportioned between the parties on a basis that ensures they are charged to the party that benefits from the provision of the relevant goods or services on an arm's length basis and must in any event be apportioned in a manner that complies with the terms and conditions of the

binding tax ruling issued to Stride by Inland Revenue (dated 26 May 2016) and/or any future taxation ruling, and/or any other Inland Revenue correspondence, instruction or guidance.

4.5 **Arm's-length terms**

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

5. **Borrowing**

5.1 **Borrowing**

Neither Stride nor SIML (the **Borrower**) can require the other party to:

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

without its consent, which consent may be withheld if:

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

5.2 **Joint borrowing**

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

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

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

6. Allocation of price

6.1 Issue Price

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

6.2 Joint buyback

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

6.3 Accountant to resolve dispute

- (a) If the parties are unable to reach agreement under clause 6.1 or 6.2 within five Business Days after either of them notifies the other that an agreement must be reached, an independent accountant nominated by SIML and approved by Stride (acting reasonably) must be instructed within 10 days after the provision of the notice to determine the allocation of the issue or buy-back price between the Stride Shares and the SIML Shares being issued or brought back (as the case may be). The

allocation shall be based on fair market value as determined by the accountant, having regard to the net asset value of each Stride Share and the SIML Share at that time and any other factors which the accountant reasonably believes should be taken into account.

- (b) The accountant's decision is, in the absence of manifest error, binding on the parties.
- (c) If no agreement is reached on the appointment of an accountant, either party may apply to the president for the time being of the Institute of Chartered Accountants Australia New Zealand for the appointment of an accountant under this clause 6.3.
- (d) When determining the allocation of the issue, or buy-back price under this clause, the accountant shall act as an expert and not as an arbitrator and the reference of the question of the allocation shall not be a submission to arbitration for the purposes of the Arbitration Act 1996 and the provisions of the Arbitration Act 1996 will not govern that referral.

7. Registers

7.1 Stapled Securities Register

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

must be entered in the Stapled Securities Register.

7.2 Registers must be consistent

Stride and SIML must ensure that their respective Shareholder registers are entirely consistent with each other.

8. Unstapling

8.1 Procedure for Unstapling

- (a) From the Stapling Commencement Date, all Stride Shares and SIML Shares will remain Stapled to each other for so long as the Stapled Securities remain on issue, unless otherwise determined by Special Resolutions of the Shareholders of both Stride and SIML, or unless Stapling becomes unlawful or prohibited by the Companies Act, the FMC Act or the Listing Rules or Unstapling is necessary due to a change in taxation law or in order to comply with a taxation ruling and/or any other Inland Revenue correspondence, instruction or guidance.
- (b) On and from such date as may be determined under clause 8.1(a):

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

8.2 Consequences of Unstapling

Following the Unstapling of the Stride Shares and SIML Shares:

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

9. Additional duties and obligations

9.1 Documents

Each of Stride and SIML must at all times:

- (a) perform and comply with their duties and obligations under their respective Constitutions and this Deed;
- (b) subject to those duties and obligations, perform and comply with their duties and obligations under any other deed or agreement to which either of them is a party relating to Stapling or the Stapled Securities; and
- (c) comply with [the](#) terms and conditions of the binding tax ruling issued to Stride by Inland Revenue (dated 26 May 2016) and/or any future taxation ruling and/or any other Inland Revenue correspondence, instruction or guidance.

10. Common Directorships

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

11. Inconsistency

11.1 Stride Constitution

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

11.2 SIML Constitution

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

12. Issue of Securities other than Stride Shares and SIML Shares

If:

- (a) Stride or SIML intends issuing any Securities other than Stride Shares or SIML Shares (as the case may be) with the agreement of the other party under clause 3.1(a)(iv) of this Deed; and

- (b) the parties have agreed that those Securities are to be Stapled (on the same basis as the Stride Shares and SIML Shares are Stapled) to Securities of the same class to be issued by the other party to form a Stapled Security,

then:

- (c) prior to proceeding with the issue of those Securities, Stride and SIML will assess the impact of the new issue and such Stapling on their respective taxation status (including compliance with the terms and conditions of the binding tax ruling dated 26 May 2016 and/or any other taxation ruling and/or any other Inland Revenue correspondence, instruction or guidance) and carry out such steps as may be necessary to mitigate any potential adverse tax outcomes for either of them;
- (d) all of the provisions of this Deed are to apply to those Securities for so long as they are Stapled, with such amendments as may be necessary to reflect the terms of issue or nature of the Securities; and
- (e) to the extent possible and practicable, the terms of issue of those Securities will incorporate (with such amendments as may be necessary or appropriate) clauses 3.1, 3.2 and 8.1 of this Deed.

13. Dispute resolution

13.1 Notice

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

13.2 Best efforts to resolve

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

13.3 Negotiate in good faith

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

13.4 Arbitration for Dispute

(a) Matter referred for arbitration

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

(b) Terms of arbitration

Any Disputes which have been referred to arbitration in accordance with clause 13.4(a) will be finally settled by arbitration in Auckland, New Zealand by one arbitrator who, for the purposes of the arbitration, will apply substantive New Zealand law and

who will be appointed and will proceed in accordance with the Arbitration Act 1996 of New Zealand as the exclusive means of resolving such disputes.

(c) **Appointment of arbitrator**

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

(d) **Language**

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

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

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

13.5 **Court proceedings**

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

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

14. **Notices**

14.1 **Notice**

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

(a) **Method**

may be given by personal service, post or email;

(b) **In writing**

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

(i) **Stride**

Address: 34 Shortland Street, Auckland
 Attention: Jennifer Whooley
 Email: Jennifer.Whooley@strideproperty.co.nz

(ii) **SIML**

Address: 34 Shortland Street, Auckland
 Attention: Jennifer Whooley
 Email: Jennifer.Whooley@strideproperty.co.nz

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

(c) **Signature**

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

(d) **Receipt**

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

(i) **Delivery**

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

(ii) **Post**

if sent by post, on the third Business Day after posting if posted in New Zealand, or on the seventh Business Day if posted to or from a place outside New Zealand, in each case from and including the date of postage; or

(iii) **Email**

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

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

14.2 **Reliance on notice**

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

15. **Assignment**

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

16. **General**

16.1 **Entire agreement**

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

16.2 **Further assurances**

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

16.3 **Waivers**

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

16.4 **Amendments**

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

16.5 **Severability**

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

16.6 **Costs**

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

16.7 **Counterparts**

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

16.8 **To the extent not excluded by law**

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

16.9 **GST**

If any party:

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

then the recipient of the supply agrees to pay that party an additional amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

16.10 **Governing law**

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

Execution

Executed as a deed.

SIGNED for and on behalf of
Stride Property Limited by:

Director

Director

Print Name

Print Name

SIGNED for and on behalf of **Stride**
Investment Management Limited by:

Director

Director

Print Name

Print Name