

[Insert Provider logo]



**Te Tūāpapa Kura Kāinga**  
Ministry of Housing and Urban Development

# Relationship Agreement for Provision of Housing and Housing Services

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The Sovereign in right of New Zealand acting by and through  
the Chief Executive of the Ministry of Housing and Urban  
Development

\*Provider name\*

Reference No: [●]

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Date:

PARTIES

The Sovereign in right of New Zealand acting by and through the Chief Executive of the Ministry of Housing and Urban Development (HUD)

[Insert full legal name of Provider, description and NZBN] (Provider)

(each a party and together, the parties)

BACKGROUND

This section summarises the reasons for this Agreement and “sets the scene”.

- A. Stable housing offers a place from which individuals, families, and communities grow. It is crucial to ensuring physical and psychological well-being, and central to social harmony and the achievement of positive education, health and labour market outcomes.
- B. In 2018, HUD and MSD were each appointed under section 101(a) of the *Public and Community Housing Management Act 1992* as the agency to provide assistance and advice to people on matters relating to housing or services related to housing. MSD was also appointed under section 101(b) of that Act as the agency to manage applications for public housing, and HUD was also appointed under section 159(1) as the Regulatory Authority.
- C. HUD wishes to work with the Provider, utilising a relationship-based, strategic partnering approach, to provide tenancies and associated services for its clients in need of housing. As historically Māori have been disproportionately and negatively impacted by the housing system, it is important to HUD that the relationship incorporates kaupapa Māori approaches through Te Maihi o te Whare Māori – the Māori and Iwi Housing Innovation (MAIHI) Framework for Action, which aims to drive the changes needed to improve the housing system for Māori and all New Zealanders.
- D. The Provider is an owner of quality and appropriate housing, or an expert in the delivery of quality, appropriate and stable housing and/or housing services, in New Zealand and wishes to provide such housing and/or housing services for housing clients to HUD, in accordance with the principles set out in clause 3.2 of this Agreement.
- E. This formal written Agreement is a tailored agreement (as that term is defined in the PCHM Act, where the Provider is registered by the Regulatory Authority under the PCHM Act) and is necessary in order to be clear about expectations, conditions and obligations. The parties see this Agreement as the founding document of what they hope will be a long term relationship, in which they will both act reasonably and in the best interests of the broader housing outcomes. Individual transaction-based Services Agreements will be entered into by the parties from time to time. A Services Agreement will prevail over this Agreement to the extent of any conflict between the provisions of this Agreement and a Services Agreement.

- F. In connection with the appointments referred to in paragraph B above, this Agreement and certain Services Agreements recognise that HUD will procure that MSD undertakes certain specified actions as set out in this Agreement and any relevant Services Agreement. HUD has, or will, agree arrangements with MSD to effect the procurement of such specified actions.
- G. This Agreement contains the following specific parts:

<b>Part A</b>	– Defined Terms and Interpretation
<b>Part B</b>	– Parties and Term
<b>Part C</b>	– Services, Force Majeure Events and Changes
<b>Part D</b>	– Payment
<b>Part E</b>	– Confidentiality and Intellectual Property
<b>Part F</b>	– Indemnities and liability
<b>Part G</b>	– Step-in
<b>Part H</b>	– Termination
<b>Part I</b>	– Expiry and disengagement
<b>Part J</b>	– Dispute resolution
<b>Part K</b>	– Miscellaneous terms

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PART A – DEFINED TERMS AND INTERPRETATION

In this Part we define terms used throughout this Agreement and also include some rules on how to interpret this Agreement.

1 DEFINITIONS

1.1 Defined terms

In this Agreement the following terms are used with the meaning set out below:

*Agreement* means this Relationship Agreement for Provision of Housing and Housing Services (entered into pursuant to section 137A of the PCHM Act where the Provider is registered by the Regulatory Authority under the PCHM Act);

*Business Day* means a day that is not a Saturday, Sunday or public holiday in New Zealand or any anniversary day in the region in New Zealand in which the relevant Services are being provided;

*Business Hours* means 9.00am to 5.00pm on a Business Day;

*Change of Ownership* means:

- (a) any disposal of any direct or indirect 25 percent or more ownership interest in the Provider; or
- (b) any change in the effective management or control of the Provider;

*Change Proposal* has the meaning given in clause 12.3(a);

*Claim* includes any claim, demand or legal proceeding, including by way of contribution or indemnity, for payment of money, for an extension of time or relief from performance of obligations, however arising;

*Commencement Date* means:

- (a) in relation to this Agreement, the date of this Agreement; and
- (b) in relation to any particular Services Agreement, the date on which that Services Agreement commences in accordance with its terms (including subject to any Conditions Precedent);

*Conditions Precedent* means the conditions precedent listed in the Services Agreement;

*Confidential Information* means all information made available by HUD, MSD or the Provider to either or both of the others (the *recipient*) about itself, its owners, its business or its financial situation, any Intellectual Property Materials and any information relating to the Services;

*Conflict of Interest* means a conflict of interest described in clause 8.5;

*Consent* means any consent, authorisation, permit, licence, registration or exemption issued by a governmental entity, judicial or regulatory body or stock

TEMPLATE

exchange required to enable the Provider to perform its obligations under this Agreement and any Services Agreement;

*Contract Documents* means this Agreement, any Financier Direct Deed, any Services Agreement and all associated documents between (at least) HUD and the Provider;

*Data* means the data to be shared between the parties, as set out in a Services Agreement;

*Disengagement Period* means the period during which Disengagement Services are to be provided as identified in a Disengagement Plan or such other period as is reasonable to enable the Housing Services to cease being provided by the Provider or be transferred (if applicable) from the Provider to HUD or its nominee or a new provider upon the end of the relevant Term;

*Disengagement Plan* means the disengagement plan provided by the Provider and approved by HUD as required by this Agreement;

*Disengagement Services* means the disengagement services (if any) to be provided by the Provider in accordance with a Disengagement Plan and otherwise in accordance with clause 25.2 of this Agreement;

*Dispute* means any dispute or disagreement about any aspect of any Contract Document;

*Disputed Amount* has the meaning given in clause 13.5(a);

*Eligible Tenant* means an eligible tenant as that term is defined by section 92(7) of the PCHM Act and includes a person paying a market rent who is not eligible for an IRRS but is nonetheless eligible for community housing under the PCHM Act;

*Expert Determination* means determination by an Independent Expert in accordance with clause 27;

*Expiry Date*, in relation to any particular Services Agreement, means the date on which that Services Agreement is due to expire (if applicable);

*Financial Records* means all financial information relating to the Services, as required under clause 9.2;

*Financier Direct Deed* means a deed made between, among others, HUD, the Provider and the Provider's external financiers (or an agent of, or security trustee for, them) that regulates their respective rights and powers as between them with regard to the Provider;

*Force Majeure Event* means any circumstance or event beyond the reasonable control of the Provider and which could not have been prevented by the exercise of all proper care and diligence, good contingency planning or observance of Good Industry Practice;

*Good Industry Practice* means that degree of skill, care, prudence, foresight and operating practice that would reasonably be expected of a skilled and competent supplier of services of the type provided under the relevant Services Agreement;

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*GST* means goods and services tax chargeable under the GST Act;

*GST Act* means the *Goods and Services Tax Act 1985*;

*Housing* means any housing provided for Housing Clients by the Provider to, and funded by, HUD pursuant to a Services Agreement;

*Housing Client* means an Eligible Tenant, a Housing Services Client and/or a Tenant or Occupant (as the context requires);

*Housing Client System* means the online electronic communications system (and associated back-up system) owned and operated by MSD to allow MSD and HUD to communicate with the Provider and other Housing and Housing Services providers, any replacement system, and any manual system in place for other Housing or Housing Services;

*Housing Services* means any housing or other related services provided for Housing Clients by the Provider to, and funded by, HUD pursuant to a Services Agreement;

*Housing Services Client* means a person or whanau who is receiving Housing Services in accordance with a Services Agreement;

*HUD Personnel* means:

- (a) any officer, employee, contractor, sub-contractor or agent of or to HUD or MSD (excluding the Provider and any of its sub-contractors); and
- (b) any agency to whom HUD's powers have been delegated in accordance with the *Public Service Act 2020* and any employee of or contractor to that agency;

*HUD's Representatives* means the persons for the time being appointed by HUD as its representatives under this Agreement and any Services Agreements;

*Indemnified Party* means each of HUD and any HUD Personnel;

*Independent Expert* has the meaning given in clause 27(a);

*Insolvency Event* means, in relation to a person, that the person:

- (a) is insolvent; or
- (b) is liquidated or has a liquidator, receiver, statutory manager, administrator or similar official appointed; or
- (c) enters into any compromise with creditors or scheme of arrangement with creditors (except as part of a solvent reconstruction or amalgamation first approved by HUD in writing); or
- (d) threatens to suspend payment of its debts; or
- (e) ceases to carry on business in New Zealand; or
- (f) has any security enforced against the whole or a substantial part of its assets; or

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(g) has any similar event occur in relation to it;

*Intellectual Property* means all patents, registered designs, trade marks, logos, trade dress, copyright, domain names, rights in computer software and databases, rights in inventions, know-how and business process and methods (including applications for the grant of any of the foregoing);

*Intellectual Property Materials* means any software, firmware, documented methodology or process, documentation or other material whatsoever in either or both human readable or computer readable form that wholly or partly contain Intellectual Property;

*IRRS* means the income-related rent subsidy in respect of a Tenant payable by HUD to the Provider in accordance with a Services Agreement;

*Laws* means statutes, regulations, ordinances, by-laws and any other subordinate forms of rule-making (including codes of practice) of Government, any local authority, or any governmental entity as well as any Consents (and any conditions or requirements under them), those principles of New Zealand law established by the courts, and applicable mandatory New Zealand Standards;

*Liability* includes any debt, obligation, expense, loss, damage, cost, charge or other liability of any kind;

*Liability Cap* has the meaning given in clause 20A(b);

*Losses* or *Loss* means all damages, losses, Liabilities, costs, expenses and charges;

*MAIHI* means Te Maihi o te Whare Māori – the Māori and Iwi Housing Innovation (MAIHI) Framework for Action adopted by the Government in May 2020<sup>1</sup>

*Major Sub-contractor* means any sub-contractor that the Provider intends to subcontract, or has in accordance with clause 3.10(b) sub-contracted, 30% or more of the value of the Services to;

*Material Adverse Effect* means a material adverse effect (including cost increase) on either party's rights or ability to perform under this Agreement or any Services Agreement;

*MSD* means the Ministry of Social Development;

*Notice of Dispute* has the meaning given to it in clause 26.2;

*Occupant* means a Housing Services Client other than an Eligible Tenant who has been provided a Property to reside in in accordance with a Services Agreement, together with any household members occupying the Property (as the context requires);

*Operational Guidelines* or *Operational Manual* means the operational guidelines from time to time published by HUD on its website or otherwise made available by HUD to the Provider;

<sup>1</sup> see <https://www.hud.govt.nz/assets/News-and-Resources/Proactive-Releases/Cabinet-Paper-Te-Maihi-o-te-Whare-Maori-the-Maori-and-Iwi-Housing-Innovation-MAIHI-Framework-for-Action.pdf>

*Payment Period* means:

(a)

each 14-day period during the Term starting on the first available Saturday and ending on the second next Friday; and

(b)

any applicable shorter period to cater for the beginning and end of the Term;

*PCHM Act* means the *Public and Community Housing Management Act 1992*;

*Persistent Failure* means, on any date, that in the immediately preceding 12 months, the Provider has consistently failed to meet its material obligations under this Agreement or a relevant Services Agreement;

*Personal Information* means information about an identifiable individual, which includes personal information about Housing Clients;

*Prescribed Rate* means, as at any date, the rate that is 3% above the 90-day bank bill bid settlement rate displayed on page BKBM (or its successor page) of the Reuters Monitor Screen around 10:45 a.m. on that date;

*Property* means any property identified under a Services Agreement as a property to be let to or otherwise occupied by a Housing Client or which has been let to or is otherwise occupied by a Housing Client (as the context requires);

*Property Management Requirements* means the property management requirements and obligations on the Provider in relation to the Properties set out in a Services Agreement;

*Provider’s Representatives* means the persons for the time being appointed by the Provider as its representatives under this Agreement and any Services Agreements;

*Qualifying Change in Law* has the meaning given in clause 12.4(a);

*Records* means the Service Records and the Financial Records;

*Regulatory Authority* means the authority appointed under section 159 of the PCHM Act responsible for regulating community housing providers, known at the Commencement Date as the Community Housing Regulatory Authority;

*Relationship Management Group* means the relationship management group in respect of this Agreement and the Services Agreements;

*Reports* means the reports the Provider is required to prepare and make available to HUD under this Agreement and a Services Agreement;

*Residential Tenancies Act* means the *Residential Tenancies Act 1986*;

*Service Records* means records relating to the Services as required under clause 9.1(a);

*Services* means, in respect of any Services Agreement, the Housing and/or Housing Services described in that Services Agreement to be provided by the Provider;

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*Services Agreement* means any set of specific supply terms agreed from time to time between HUD and the Provider for the provision of specific Housing and/or Housing Services, that is to be read with the terms set out in this Agreement;

*Services Agreement Payment* means, in respect of a Payment Period, the aggregate payment to be made by, or on behalf of, HUD to the Provider pursuant to and calculated in accordance with the applicable Services Agreement;

*Step-in Rights* means HUD's rights to step in (if any) under Part G of this Agreement and the relevant Services Agreement;

*Tax* means any present or future tax, levy, impost, deduction, charge, duty or withholding of any type (other than GST) that is levied or imposed by a governmental entity, plus any associated interest, penalties, charges or fees also imposed;

*Tenancy Agreement* means a tenancy agreement between the Provider and a Tenant that complies with the Residential Tenancies Act and the PCHM Act (as applicable), all other applicable Laws and the terms of this Agreement and the relevant Services Agreement;

*Tenancy Management Requirements* means the tenancy management requirements and obligations on the Provider in relation to the Tenants set out in a Services Agreement;

*Tenant* means an Eligible Tenant who is named as a Tenant in a Tenancy Agreement and is occupying the Property nominated in the Tenancy Agreement, together with any household members occupying the Property (as the context requires);

*Term* means:

- (a) in respect of this Agreement, the period from the Commencement Date to the earlier of:
  - (i) the date the parties agree to terminate this Agreement under clause 5(c);
  - (ii) the date this Agreement terminates pursuant to clause 22.2; and
  - (iii) the Termination Date; and
- (b) in respect of a Services Agreement, the period from the Commencement Date to the earlier of:
  - (i) the Expiry Date (if applicable); and
  - (ii) the date the Services Agreement is terminated pursuant to the Services Agreement or this Agreement;

*Termination Date* means the termination date specified in a Termination Notice;

*Termination Event* means a termination event as listed in clause 22.3(a) and clause 22.3(b);

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*Termination Notice* means a notice of termination issued following the occurrence of a Termination Event in accordance with clause 22.3(a) or clause 22.3(e), which shall include a Termination Date;

*Third Party Claim* has the meaning given in clause 17.6(a); and

*WorkSafe* means WorkSafe New Zealand or any successor regulator under the *Health and Safety at Work Act 2015*.

## 2 PRINCIPLES OF INTERPRETATION

- (a) The parties are to have regard to the principles set out in clause 3.2 when exercising their rights and performing their obligations under this Agreement and each Services Agreement, and acknowledge that such rights and obligations are to be interpreted to give effect to the principles set out in clause 3.2.
- (b) In this Agreement, unless the context otherwise requires, or any Services Agreement otherwise provides:
  - (i) references to clauses, schedules or annexures are references to clauses, schedules or annexures of or to this Agreement;
  - (ii) a gender includes other genders;
  - (iii) different grammatical forms of defined expressions have corresponding meanings;
  - (iv) the singular includes the plural and vice versa;
  - (v) a reference to a person includes any form of legal entity or body of persons, including its successors and permitted assigns;
  - (vi) any agreement not to do a thing is also an agreement not to permit or cause that thing to be done;
  - (vii) any reference to approval, consent, notice or waiver being required is to prior written approval, consent, notice or waiver;
  - (viii) any requirement to give notice or to advise or signal something means to do so in writing;
  - (ix) "includes" or "including" do not imply any limitation;
  - (x) "written" and "in writing" include electronic communications;
  - (xi) a reference to any legislation includes that legislation as modified or re-enacted and all regulations, orders in council, other instruments and/or standards rules under it;
  - (xii) a reference to any document includes a reference to that document as varied, supplemented, novated, replaced or substituted from time to time;
  - (xiii) headings are for reference only and do not affect interpretation;

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- (xiv) a reference to days is to calendar days of the year;
- (xv) a reference to currency is a reference to legal tender in New Zealand;
- (xvi) if a payment is required to be made on or by a day that is not a Business Day, it can be made on the immediately succeeding Business Day; and
- (xvii) this Agreement is not to be interpreted against HUD simply because it drafted it.

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PART B – PARTIES AND TERM

This Part describes the relationship between the parties and how generally they will work together, how this Agreement works with different sets of Services Agreements from time to time and what the contractual term is.

3 PROVIDER AND HUD

3.1 Mutual obligations

HUD and the Provider each agree:

- (a) that they wish to build a strong, strategic-partnering relationship with each other in accordance with the principles set out in clause 3.2 to help meet the goal of making sure that those who need housing get the assistance that they need;
- (b) to act reasonably at all times and to consult as early as practicable about anything that may materially affect its performance under this Agreement or about any possible or actual breach of this Agreement.

3.2 Principles

HUD and the Provider each agree to and acknowledge:

- (a) that our relationship, and our respective relationships with Housing Clients in the delivery of Housing and Housing Services will incorporate the MAIHI principles in the following ways:

MAIHI principles	Principles applied to relationships
<b>Mauri</b> Enabling the life force, an essence for revival and fulfilment to be sustained in wellbeing	We prioritise a whānau-centred approach that places whānau at the heart of our actions, services and programmes. Working together for this common goal means we can achieve more housing aspirations and outcomes for New Zealand than if we act alone.
<b>Tikanga</b> Doing things right, being in the right place at the right time	Tikanga provides a platform and approach for the way we agree to work together. It embraces the spirit of co-operation, respectful and honest behaviour and a 'no surprises' approach that preserves and strengthens the integrity of our relationship. It also means that we agree to <i>not do anything</i> that would cause the other party to breach applicable Laws.
<b>Whanaungatanga</b> Delivering services through a whakapapa lens	We recognise the importance of whānau, kinship ties, intergenerational connections and enduring relationships that lead to the provision of practical support. Together we will support this foundation that enables whānau to flourish, grow and experience love, support and protection.

<b>Manaakitanga</b> Key mechanisms of engaging and building relationships	We aim to build high-trust and strategic partnerships so that whānau aspirations are enhanced and they can live in a safe, secure, warm and comfortable home. This approach is built on demonstrating respect, generosity and caring for others.
<b>Whakamana</b> Empowering whānau Intergenerationally	We will actively seek to include the experience and voices of whānau in the design and delivery of programmes and services. Our collaborative efforts will be anchored in positive impacts and outcomes for whānau that restores and enhances their mana.
<b>Tino Rangatiratanga</b> Self determination of self-sufficiency through creating your own sense of belonging.	We agree to work together to ensure that whānau are in the 'driver's seat' and supported to determine their future housing aspirations and how their needs are met, in a way that makes sense for them.

(b) the importance of the following principles:

- (i) the welfare and safety of our clients and the welfare of communities is at the centre of what we do;
- (ii) housing must be of the right size and configuration, and in areas of need;
- (iii) quality is essential, and innovation and sustainability are highly valued; and
- (iv) together, we must support the growth of a fair, efficient and effective community housing sector;

### 3.3 Relationship between HUD and the Regulatory Authority

This clause 3.3 applies if the Provider is registered by the Regulatory Authority under the PCHM Act.

(a) The parties acknowledge and agree that:

- (i) the Regulatory Authority registers certain providers of Housing and/or Housing Services under the PCHM Act and also regulates such providers, in order to ensure that tenants are appropriately housed, and to support the growth of a fair, efficient and transparent community housing sector;
- (ii) as at the Commencement Date of this Agreement the functions of the Regulatory Authority are carried out by a separate business unit of HUD to the business unit that administers this Agreement and associated Services Agreements; and
- (iii) while the Regulatory Authority is a business unit of HUD, references to "HUD" in this clause 3.3 and clauses 9.3 and 14.2 shall, as relevant, be read as referring to the business unit within HUD that administers this Agreement and associated Services Agreements.

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- (b) The parties further acknowledge and agree that:
- (i) this Agreement and each relevant Services Agreement are based on, and rely upon, the Regulatory Authority's role as described in clause 3.3(i), and the relationship between HUD and the Regulatory Authority as at the Commencement Date of this Agreement;
  - (ii) as a consequence of clause 3.3(b)(i), this Agreement and each relevant Services Agreement omit certain provisions relating to the provision of information by the Provider which would otherwise have been included in this Agreement and each relevant Services Agreement as obligations on the Provider as a provider of Housing and/or Housing Services; and
  - (iii) as at the Commencement Date of this Agreement, HUD and the Regulatory Authority have agreed to certain information sharing between the Regulatory Authority and HUD in relation to providers of Housing and/or Housing Services who are registered under the PCHM Act, to improve outcomes for tenants and to provide for compliance efficiencies for providers registered under the PCHM Act.
- (c) In connection with clause 3.3(b), the Provider (if it is registered by the Regulatory Authority under the PCHM Act) authorises HUD to liaise with the Regulatory Authority and consents to HUD receiving certain information about the Provider as agreed between the Regulatory Authority and HUD (and also consents to HUD relying on such information) directly from the Regulatory Authority. The Provider agrees that HUD may provide the Regulatory Authority with a copy of this consent if required by the Regulatory Authority.
- (d) If and to the extent HUD and the Regulatory Authority propose to change the nature or extent of the information provided by the Regulatory Authority to HUD (as agreed by the Regulatory Authority and HUD as at the Commencement Date) during the Term, HUD will notify this to the Provider (if it is registered by the Regulatory Authority under the PCHM Act).
- (e) If and to the extent the existing relationship between HUD and the Regulatory Authority ceases to exist or materially changes during the Term, then each party agrees that it will, upon written request from the other party, meet within 10 Business Days of a written request to discuss and agree changes to this Agreement and any Services Agreement that are necessary to ensure that HUD continues to receive adequate and sufficient information from the Provider in relation to Housing and Housing Services that it is providing for HUD.

#### 3.4 Relationship Management Group

The parties intend that the Relationship Management Group referred to in clause 7 will be the primary mechanism by which all relevant matters relating to this Agreement and each Services Agreement will be progressed, managed and addressed, and that they intend to invoke the formal contractual mechanisms set

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out in this Agreement only where the Relationship Management Group has been unable to resolve a matter.

### 3.5 Relationship and authority

- (a) The Provider is an independent contractor to HUD. Nothing in this Agreement or in any Services Agreement (including, for the avoidance of doubt, the strategic-partnering approach referred to in this Agreement and any Services Agreement, and clause 3.1(a)) creates any agency, employment, fiduciary, partnership, trust, or joint venture relationship between HUD and the Provider.
- (b) Neither HUD nor the Provider has authority to enter into contracts or incur debts on behalf of the other, and must not represent that it has any such authority.

### 3.6 Relationship between this Agreement, Services Agreements and the Operational Guidelines

- (a) This Agreement sets out the core terms applicable to HUD's and the Provider's contracting arrangements for the provision of Housing and/or Housing Services. It continues in force until terminated in accordance with its terms.
- (b) The terms of this Agreement apply to all Services provided to HUD pursuant to each Services Agreement that the Provider and HUD enter into on and from the Commencement Date.
- (c) A Services Agreement must be signed by both the Provider and HUD in respect of each particular set of Services that the Provider is to provide to HUD, and each Services Agreement is a distinct contract (and a tailored agreement as defined in the PCHM Act where the Provider is registered by the Regulatory Authority under the PCHM Act).
- (d) From time to time HUD may also publish Operational Guidelines and other guidance to assist the Provider in providing Housing and/or Housing Services under a Services Agreement. In respect of the Services under each Services Agreement, the Provider is to comply with the relevant provisions of the Operational Guidelines and observe any other relevant guidance, but if there is any conflict between the terms of the Operational Guidelines or other guidance HUD provides and the terms of this Agreement and/or any Services Agreement, the terms of the Agreement and/or the Services Agreement will prevail. The Operational Guidelines and other guidance may be replaced or updated from time to time by HUD following discussion with the Provider so long as such replacement or update:
  - (i) does not add material extra cost or risk to the Provider (having regard to the Provider and the relevant circumstances); and
  - (ii) does not result in a material difference to the scope of the Operational Guidelines and other guidance as at the Commencement Date of this Agreement.

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### 3.7 Precedence of Contract Documents

- (a) If there is any conflict between the terms of this Agreement and any Services Agreement, the terms of the Services Agreement will prevail, because the parties agree it is important that flexibility be preserved to enable the needs of any particular Housing or Housing Services supply or transaction to be met.
- (b) The Contract Documents will otherwise have the order of precedence set out in the relevant Services Agreement.

### 3.8 Co-ordination and co-operation

The parties acknowledge that:

- (a) if the Provider is registered under the PCHM Act, it has an ongoing relationship with the Regulatory Authority; and
- (b) a range of different organisations and people are involved in the provision of goods and services in relation to the Properties and Housing Clients. Each party is to coordinate and cooperate with such other organisations and people in a positive and timely manner, including by abiding by and entering into any necessary coordination or interface agreements.

### 3.9 Provider registration and consents

The Provider is to:

- (a) ensure that it maintains at all times such registration with the Regulatory Authority, under the PCHM Act, as is specified in any Services Agreement or is otherwise required under the PCHM Act;
- (b) ensure it holds such MSD social sector accreditations as are specified in any Services Agreement; and
- (c) hold and comply with all Consents required in relation to the Services.

### 3.10 Employees, agents, contractors and sub-contractors

- (a) If the Provider is registered under the PCHM Act, it may enter into a sub-contract in respect of any part of the Services.
- (b) If the Provider is not registered under the PCHM Act, then it may enter into a sub-contract in respect of any part of the Services, provided that:
  - (i) if and to the extent the sub-contractor is a Major Sub-contractor, the Major Sub-contractor is first approved by HUD (provided that such approval may not be unreasonably withheld or delayed); and
  - (ii) if and to the extent the sub-contractor is to perform any tenancy management-related or support Services, the sub-contractor is first approved by HUD (provided that such approval may not be unreasonably withheld or delayed).

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- (c) HUD will be responsible for any HUD Personnel. The Provider will be responsible for the acts and omissions of its own personnel, including its officers, employees, agents, contractors and sub-contractors.
- (d) Notwithstanding clauses 3.10(a) and 3.10(b), the Provider is not relieved of any of its obligations and liabilities under this Agreement and/or any Services Agreements as a result of any subcontracting of its obligations and liabilities and remains primarily responsible for all actions of any sub-contractor (including any Major Sub-contractor) in connection with the performance of the Provider's obligations under this Agreement and/or any Services Agreements.
- (e) Each of HUD and the Provider will be taken to have at least the same knowledge as the HUD Personnel (for HUD) or the Provider's personnel (including its officers, employees, agents, contractors and sub-contractors) (for the Provider), or that which ought reasonably to be held by any of them.

### 3.11 Warranties

- (a) Each of the parties has entered into this Agreement and each Services Agreement in reliance on the warranties and representations made by the other party in this clause 3.11.
- (b) Each party warrants and represents to the other party throughout the Term that:
  - (i) it is a properly constituted legal entity and has the power and the authority to own its assets, to carry on its business and to enter into and perform under the Contract Documents;
  - (ii) it is not immune from legal proceedings, the Contract Documents are not contrary to Laws or any court order or third party contract, and the other party will be able to enforce them against it;
  - (iii) the other party's use of information provided by it to the other party will not breach the Intellectual Property rights of any third party;
  - (iv) it is not subject to any actual, threatened or likely Claim that could have a Material Adverse Effect on it, other than as may be notified to the other party as soon as reasonably practicable upon a party becoming aware of the existence of a Claim.

## 4 INFORMATION SHARING

### 4.1 Sharing of information

Without limiting clause 6.2 and to the extent HUD, MSD and the Provider are not restricted from doing so under relevant Laws:

- (a) HUD will provide to the Provider;
- (b) HUD will procure that MSD will provide to the Provider; and
- (c) the Provider will provide to HUD and MSD,

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in each case as soon as reasonably practicable, any information (other than information that is subject to legal privilege) they have that is material to the Tenants, Housing Services Clients, Properties or the Services and/or which may materially affect the Tenants, Housing Services Clients, Properties or the Services.

#### 4.2 Accuracy of Housing Client and third party information

The parties each acknowledge that in respect of information collected by a party from a Housing Client or other third party which is then provided to the other party, the party providing the information has no control over that information or its accuracy. Neither party makes any warranty about any information that it has collected from a Housing Client or other third party which it provides to the other, but will provide all such information in good faith.

### 5 TERM AND CONDITIONS PRECEDENT

- (a) This Agreement and each Services Agreement commence on the relevant Commencement Date.
- (b) The Conditions Precedent in respect of a Services Agreement (if any) must be satisfied by the Provider as soon as possible and otherwise by the date specified in the Services Agreement (with notice of this to HUD), and to HUD's satisfaction. Only HUD can waive them. If they are not met by the final date for satisfaction specified in the Services Agreement, the Services Agreement will be of no further effect, unless HUD agrees otherwise.
- (c) Subject to clause 22.1, this Agreement continues in force until the parties agree in writing to terminate it (or it is otherwise terminated in accordance with clause 22.2 or clause 22.3).
- (d) Each Services Agreement continues in force for the Term.

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**PART C – SERVICES, FORCE MAJEURE EVENTS AND CHANGES**

This Part describes the Services to be provided by the Provider and what it has to do to comply with HUD's requirements (including in relation to record keeping and reporting, what happens if it is prevented from performing its obligations because of force majeure, and how this Agreement can be changed).

**6 SERVICES****6.1 General**

The Provider is to provide the Services:

- (a) on the terms and conditions of this Agreement and the Services Agreement;
- (b) in a manner that ensures the personal privacy and dignity of Housing Clients is respected, and any disruption to them is minimised as far as practicable;
- (c) in a manner that is consistent with the *Human Rights Act 1993* and respects and is appropriate to Housing Clients' religious and cultural beliefs and practices, age, gender and any disabilities;
- (d) in accordance with Good Industry Practice;
- (e) in accordance with all applicable Laws;
- (f) in accordance with the *Vulnerable Children Act 2014*, where the Provider is also providing children's services;
- (g) in accordance with the Operational Guidelines; and
- (h) in accordance with HUD's reasonable directions, so long as they are not inconsistent with the terms of any Contract Document.

**6.2 Properties and Services information to be given to HUD**

To the extent permitted by Law, the Provider is to promptly advise HUD of the following matters affecting or which may affect any Property or Services:

- (a) any material damage;
- (b) any event that could give rise to:
  - (i) a material health or safety risk; or
  - (ii) any serious accident or injury or fatality to do with the Provider or HUD Personnel;
- (c) any reports made to WorkSafe in relation to notifiable events under the *Health and Safety at Work Act 2015*, at the same time they are provided to WorkSafe;
- (ca) any death of a Tenant, Occupant or other Housing Services Client;

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- (cb) any serious accident or injury involving a Tenant, Occupant or other Housing Services Client;
- (d) any industrial action and the Provider's response to it;
- (e) any substantial dispute between the Provider or any of its related companies or sub-contractors and any governmental or semi-governmental entity or agency (including any local or statutory authority);
- (f) any Termination Event;
- (g) any material or substantive Claim threatened or initiated against the Provider;
- (h) any event or circumstance that could materially adversely affect the Provider's ability to perform under the Contract Documents or would, within time, become a Provider default under any Contract Document; and
- (i) any event or circumstance that could give rise to an actual, perceived, or potential Conflict of Interest (including in relation to the Provider's officers, employees, agents, contractors and sub-contractors).

### 6.3 Advice to be given to the Provider

HUD is to promptly (or, as applicable, procure that MSD will promptly) advise the Provider of the following matters:

- (a) any event that could give rise to:
  - (i) a material health or safety risk that relates to HUD or MSD which could materially adversely affect the Properties or Services; or
  - (ii) any serious accident or injury or fatality to do with HUD or MSD or any sub-contractor to HUD or MSD, in each case which could materially adversely affect the Properties or Services; and
- (b) any industrial action in respect of MSD which could materially adversely affect the Properties or Services, and MSD's response to it; and
- (c) any material or substantive Claim threatened or initiated against HUD which could materially adversely affect the Properties or Services.

### 6.4 Health and safety

The Provider is to have a health and safety plan that adequately addresses its duties under this Agreement, any Services Agreements and the *Health and Safety at Work Act 2015*, and the parties are to consult, cooperate and coordinate with each other with regard to health and safety in respect of the Properties, the relevant Housing Clients and the Services.

### 6.5 Data sharing

Each party is to share Data in accordance with each Services Agreement, and the Data outcomes set out in each Services Agreement will apply.

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**7 RELATIONSHIP MANAGEMENT GROUP**

- (a) On or prior to the Commencement Date of this Agreement, the parties are to establish a Relationship Management Group comprised of at least HUD's Representatives and the Provider's Representatives and such other members as may agreed by HUD's Representatives and the Provider's Representatives (provided that each party will have, unless they agree otherwise, an equal number of members of the Relationship Management Group). The Relationship Management Group will (amongst other things) oversee the practical implementation and performance of this Agreement and each Services Agreement, will have overall responsibility for overseeing prompt, effective, open and transparent communication between the parties and is to resolve all matters promptly.
- (b) The Relationship Management Group is to liaise regularly to monitor performance, review the effectiveness of the Services and identify early any issues and/or any opportunities for improvement. The Relationship Management Group is to meet at such intervals as are mutually agreed (including in a Services Agreement) but at least once a year, by whatever means suit, and at least one representative of each party must attend a meeting for it to have a quorum. HUD will provide a draft agenda and minutes, and these will then be finalised by the parties.
- (c) In addition to clause 7(b), each party may call a Relationship Management Group meeting on no less than five Business Days' written notice to the other if it considers an issue needs to be considered on an urgent basis, and each party is to ensure that at least one representative attends the meeting.
- (d) Each party is to:
  - (i) procure that the Relationship Management Group performs the functions assigned to the Relationship Management Group in accordance with this clause 7;
  - (ii) ensure that its members of the Relationship Management Group have regard to the strategic partnering approach set out in paragraph C of the Background to this Agreement, the obligations of the parties set out in clause 3.1, the principles set out in clause 3.2 and the parties' intention set out in clause 3.4;
  - (iii) ensure that its members of the Relationship Management Group seek to ensure co-ordination of information and communication at a regional and national level and promptly inform the other members of any changes to key personnel and any key information regarding the Services; and
  - (iv) vest sufficient authority in its members of the Relationship Management Group to enable them to discharge their role effectively. The members must communicate proactively and openly, to deliver the outcomes and objectives of this Agreement and each Services Agreement.

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- (e) A Services Agreement may include additional requirements in relation to the Relationship Management Group, suitable to the circumstances of any particular Services Agreement.
- (f) Decisions of the Relationship Management Group are not intended to be binding on the parties or to detract from the contractual rights or obligations of either HUD or the Provider, unless implemented as an express written direction from HUD or as a formal change under clause 12 of this Agreement.

## 8 INFORMATION, RECORDS AND REPORTING

### 8.1 Records

Without limiting its obligation to comply with Laws generally, the Provider is to maintain sufficient records, and reasonably assist HUD when requested, so that HUD can meet its obligations under the *Official Information Act 1982*, the *Ombudsmen Act 1975* and the *Public Records Act 2005*.

### 8.2 Regular reporting

The Provider is to provide HUD with such reports and notifications as are required under, and within the timeframes stipulated in, any Services Agreement.

### 8.3 Financial information

If requested by HUD, the Provider (if it is not registered under the PCHM Act) is to provide to HUD the following, within five Business Days of their preparation:

- (a) its monthly management accounts;
- (b) its quarterly management accounts;
- (c) its annual audited accounts, in each case prepared in accordance with NZ GAAP (being "generally accepted accounting practice" as defined in the *Financial Reporting Act 2013*); and
- (d) its annual report and its annual business plan, including its budget for the current year and its annual forecast for the next two financial years.

### 8.4 Compliance certificate

If the Provider is not registered under the PCHM Act, it is to provide to HUD, within 10 Business Days of the end of each calendar quarter, a compliance certificate signed by a director or trustee (as applicable) in a form acceptable to HUD (acting reasonably) certifying compliance with the Provider's obligations under this clause 8 and clause 9.

### 8.5 Conflicts of Interest

A Conflict of Interest may arise if the Provider or a person it has engaged has personal or business interests or obligations that do or could conflict or be perceived to conflict with the Provider's obligations under this Agreement or a Services Agreement such that the Provider's or its personnel's (including its

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officers, employees, agents, contractors and sub-contractors) independence, objectivity or impartiality can be called into question. A Conflict of Interest can be:

- (a) actual: where the conflict currently exists;
- (b) potential: where the conflict is about to happen or could happen; or
- (c) perceived: where other people may reasonably think that a person is compromised.

8.6 Management of Conflicts of Interest

The Provider must:

- (a) do its best to avoid situations that might lead to a Conflict of Interest arising in its delivery of Services;
- (b) notify any actual, potential or perceived Conflicts of Interest promptly to HUD under clause 6.2(i);
- (c) discuss and agree with HUD, and record in writing, whether the Conflict of Interest can be managed and, if so, how it will be managed.

Each party will pay its own costs in relation to managing a Conflict of Interest.

9 RECORD KEEPING AND POLICIES

9.1 Service Records

- (a) The Provider is to maintain, and (without limiting the Provider’s obligations under clause 6.2 and to the extent permitted by Law) provide to HUD as soon as practicable, but in any event within 10 Business Days (or such later period as otherwise agreed by HUD) of a written request, all information relating to the Services, including information relating to:
  - (i) the Provider’s performance monitoring;
  - (ii) the Services carried out;
  - (iii) all insurance claims relating to the Services;
  - (iv) notifiable events under the *Health and Safety at Work Act 2015*, near misses and incidents relating to security that have occurred during the Term; and
  - (v) the death or serious accident or injury of a Tenant, Occupant or other Housing Services Client.
- (b) HUD may disclose any of the above Service Records to a potential new provider in the course of retendering for the Services to the extent the Service Records relate to the operational characteristics of the Services and/or Properties, but must first redact the Provider’s commercially sensitive information.

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- Commented [JC1]: Wording is from new AOG GMC.
- Commented [JM2R1]: Like it.
- Commented [JM3R1]: Leaves open what is to happen if we can't agree - do we want to go to the next stage and say the Conflict must be removed?
- Commented [JM4R1]: Do we know if CHRA requires and reviews conflicts of interest policies?
- Commented [JC5R1]: Yes it does, so this is on top.

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## 9.2 Financial Records

The Provider is to maintain, and provide to HUD as soon as practicable, but in any event within 10 Business Days (or such later period as otherwise agreed by HUD) of a written request, all financial information relating to the provision of Services under this Agreement and any Services Agreements, including copies of all written consents and approvals, or waivers or releases in respect of any breaches by the Provider under its financing arrangements.

## 9.3 Policies

The Provider is to hold and maintain all policies that have been approved by the Regulatory Authority (and which the Regulatory Authority requires the Provider to hold and maintain). The Provider is to provide a copy of such policies to HUD within five Business Days of any request by HUD for a copy of such policies.

## 9.4 Maintenance of Records

The Provider is to:

- (a) ensure that the Records are always up to date, in enough detail for HUD to reconcile all Reports and invoices;
- (b) hold Records and other required information in readily accessible and useable format;
- (c) ensure all Records are maintained so that an alternative provider can perform the Services if necessary; and
- (d) retain Records for the Term and for at least seven years after it ends.

## 9.5 Unauthorised use of Records

If either the Provider or HUD becomes aware or suspects that any unauthorised person has accessed or tried to access any Records, Confidential Information or Personal Information, or that any person used any of them other than for the purposes of this Agreement or a Services Agreement, it will:

- (a) immediately notify the other party;
- (b) take all available steps available to it to identify those unauthorised persons; and
- (c) (in consultation with the other party) make such changes to its systems and operations as will prevent, as far as is practicable, the re-occurrence of such security breach.

## 9.6 Access to and inspection of Records

- (a) Upon request by HUD, the Provider is to provide HUD with access during Business Hours to:
  - (i) all Records maintained by the Provider;

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- (ii) any other information (other than information that is subject to legal privilege) relevant to the Provider's performance under this Agreement and each Services Agreement; and
  - (iii) the Provider's physical premises, to enable HUD to have electronic access to all Records held electronically (and the Provider is to ensure its personnel provide any required assistance to HUD in accessing such electronic records).
- (b) The Provider is to facilitate any physical inspection of Records by HUD Personnel.
- (c) HUD may take a copy of any Records during the course of any inspection.
- (d) The Provider is to provide a report on all or any of the Records to HUD as and when requested by HUD.

#### 9.7 Assistance in responding to Parliamentary questions

The Provider is to fully and promptly co-operate with HUD if information is required from the Provider to enable HUD or a Minister to respond to a Parliamentary or Select Committee question.

#### 9.8 Controller and Auditor-General

The Provider is to permit, and procure that each Major Sub-contractor permits, the Controller and Auditor General (or their appointee) to examine any Records for the purposes of the *Public Audit Act 2001* and is to provide them with such explanations as may be needed.

### 10 MONITORING OF SERVICES

#### 10.1 Provider monitoring

Notwithstanding clause 7, the Provider is to regularly monitor its performance under this Agreement and each Services Agreement.

#### 10.2 HUD monitoring

- (a) Notwithstanding clause 7, HUD may, upon reasonable concern regarding the Provider's performance under this Agreement or any Services Agreement, undertake:
  - (i) its own performance monitoring of the Provider, including to ensure that the Services are being provided in accordance with this Agreement and the relevant Services Agreement; and
  - (ii) increased performance monitoring of the Provider if it considers that Data provided by the Provider pursuant to a Services Agreement has not evidenced improvement to a satisfactory level, having regard to other relevant Housing and Housing Services providers (and the Provider will be required to meet HUD's reasonable costs of any increased monitoring if requested by HUD),

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and in each case the Provider is to reasonably assist HUD as required with that monitoring.

- (b) HUD will notify the Provider of the outcome of the performance monitoring exercise, and the Provider is to have due regard to HUD's comments in terms of how it provides the Services.
- (c) If HUD finds evidence of any materially misleading or incorrect Provider reporting or claims for payment (other than in circumstances of a clear and unintentional error), HUD may increase the level of:
  - (i) its own performance monitoring; and/or
  - (ii) the Provider's required monitoring and reporting of its own performance under this Agreement and the relevant Services Agreement,

and, the Provider will be required to meet HUD's reasonable costs of any increased monitoring if requested to do so by HUD in writing.

- (d) If the Provider becomes subject to any increased monitoring by HUD under clause 10.2(a)(ii) or clause 10.2(c), then it is to provide to HUD, within 10 Business Days of the end of each calendar quarter, a compliance certificate signed by a director or trustee (as applicable) in a form acceptable to HUD (acting reasonably) certifying compliance with the Provider's obligations under this Agreement and the relevant Services Agreement.
- (e) HUD will cease to exercise its rights in respect of any increased or additional performance monitoring under this clause 10.2 as soon as reasonably practicable upon the Provider demonstrating to HUD's satisfaction that the Provider is properly performing (and, in particular, properly and accurately reporting and invoicing in relation to) its obligations under this Agreement and any relevant Services Agreements.

## 11 FORCE MAJEURE EVENTS

### 11.1 No liability for breaches caused by Force Majeure Event

- (a) The Provider will not be liable for any default or delay in its performance if and to the extent that default or delay is caused by a Force Majeure Event. A Property will not be considered to have failed to meet any required standard under this Agreement or a Services Agreement if that failure is caused by a Force Majeure Event.
- (b) If it wishes to invoke this clause 11, the Provider is to give HUD notice that a Force Majeure Event has occurred, as soon as it reasonably can, including:
  - (i) the nature of the Force Majeure Event;
  - (ii) when it occurred and how long it will likely last;
  - (iii) its expected effect on the Provider's ability to perform; and

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- (iv) which Properties and which Tenants or Housing Services Clients are affected,

and the Provider is to keep HUD fully and accurately informed about the Force Majeure Event and its effect on an ongoing basis.

- (c) The Provider is to use reasonable endeavours consistent with its obligations in clauses 6.1(d) and (e) to overcome or mitigate the effect of the Force Majeure Event as quickly as is practicable and to continue to perform under this Agreement, on time, including by sourcing alternative Properties, if practicable (but without the Provider being required to incur material extra expense).
- (d) The Provider is to notify HUD, as soon as it can, once the Force Majeure Event has ceased.

#### 11.2 Alternative arrangements and Step-in Rights

HUD may make its own arrangements for alternative means of providing any Service that has been suspended as a result of a Force Majeure Event, and in any such case HUD's Step-in Rights will be available. The Provider's right to relief because of a Force Majeure Event does not affect HUD's ability to exercise its Step-in Rights.

#### 11.3 Termination right

HUD may terminate the relevant Services Agreement under clause 22.4 in relation to any extended Force Majeure Event.

#### 11.4 Disputes

The parties are to ensure they first seek to resolve any Dispute between them about a Force Majeure Event through the Relationship Management Group. Failing resolution of any Dispute about a Force Majeure Event through the Relationship Management Group, either HUD or the Provider may provide a Notice of Dispute pursuant to clause 26.2.

### 12 CHANGE PROCEDURE

#### 12.1 How this Agreement can be changed

This Agreement and any Services Agreement can only be changed in the manner specified in this Agreement or in the relevant Services Agreement.

#### 12.2 Change compensation principles

HUD will only pay the Provider a compensation amount for a change of costs in respect of a change to this Agreement or any Services Agreement effected under this clause 12. In determining the amount of compensation payable, the following change compensation principles will apply:

- (a) appropriate regard must be had to the timing of cash flows;

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- (b) the Provider is to do what it reasonably can to mitigate the effect of the change, including through obtaining competitive quotations where relevant;
- (c) there can be no double-counting; and
- (d) the compensation calculation must take full account of any insurance proceeds, damages and other amounts paid and/or confirmed as payable to the Provider or that would have been paid or payable to the Provider:
  - (i) if the Provider had properly made a claim under an insurance policy; or
  - (ii) if it had insured, as required under the relevant Services Agreement, and actually and properly made a claim.

### 12.3 Changing this Agreement and any Services Agreement generally

- (a) Other than a change to this Agreement or any Services Agreement resulting from a change in Law which is dealt with under clause 12.4, each of HUD and the Provider may, acting reasonably, propose a change to this Agreement or any Services Agreement (including to give effect to a HUD direction under clause 6.1(h) which results in additional cost or additional risk) by giving notice to the other containing details of the proposed change (a *Change Proposal*). A Change Proposal must include:
  - (i) the reasons for the proposed change, including a brief explanation of the costs and benefits to the parties;
  - (ii) the feasibility of the change, and how and when it could be implemented or completed (as applicable);
  - (iii) the impact of the change on the Services, timeframes, the terms of this Agreement or the Services Agreement and HUD or the Provider's (as applicable) ability to perform under it;
  - (iv) if the result of a HUD direction under clause 6.1(h), why it should be treated as a change;
  - (v) any change in costs (on an open book basis);
  - (vi) any competitive quotations received;
  - (vii) any implications for the Provider's existing Tenants or Housing Services Clients, and how they will be managed and disruption minimised;
  - (viii) any implications in terms of the Provider's registration under the PCHM Act (if applicable);
  - (ix) the implications of not implementing the change; and
  - (x) any other matter likely to be relevant,and must also attach a draft amendment document recording the relevant change proposed to this Agreement and/or the Services Agreement.

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- (b) The Provider must not seek reimbursement of costs for any matter to the extent already covered by this Agreement or the Services Agreement, or to the extent it results from the Provider's own act or omission.
- (c) The parties will act fairly and reasonably when formulating and/or assessing (as applicable) a Change Proposal, and shall have regard to reasonably expected financial and operational implications for the parties, the principles set out in clause 3.2, the terms agreed on in entering into this Agreement, what has triggered the perceived need for the change, and what increased economic benefit or burden results to either party.
- (d) The Provider may refuse a Change Proposal initiated by HUD only where that change would (if implemented):
  - (i) cause the Provider to incur any additional capital or operational expenditure, unless HUD has agreed to fund such additional capital or operational expenditure; or
  - (ii) result in the Provider having insufficient personnel and other resources available to it to effect the relevant change within the required timeframe; or
  - (iii) require the Services to be performed by the Provider in a way that infringes any Law; or
  - (iv) cause the Provider to be in breach of another term of this Agreement or any Contract Document; or
  - (v) cause the Provider to breach any of its constitutional documents; or
  - (vi) be inconsistent with Good Industry Practice; or
  - (vii) cause any Consent to be revoked; or
  - (viii) materially and adversely affect the health and safety of anyone living in or working on the Properties; or
  - (ix) cause the Provider to lose its registration under the PCHM Act (if applicable); or
  - (x) cause any existing insurance policy or contract for insurance that is required to be procured, held and maintained by the Provider under this Agreement and any Services Agreement to become void or voidable.
- (e) HUD may refuse any Change Proposal initiated by the Provider other than a Change Proposal:
  - (i) that is the result of a HUD direction under clause 6.1(h); or
  - (ii) where HUD's refusal of that Change Proposal would directly result in one of the situations or circumstances in clause 12.3(d)(i) to 12.3(d)(x) occurring,

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- and shall be entitled to withdraw any HUD-initiated Change Proposal before it is confirmed by the signing of documentation in accordance with clause 12.5.
- (f) Acceptance or refusal by a party of the other party’s Change Proposal must occur within 10 Business Days of the Change Proposal being notified to that party (unless the parties agree otherwise in respect of a particular Change Proposal). The documentation required under clause 12.5 may follow outside of this 10 Business Day period (or such longer period as may have been agreed by the parties).
  - (g) Any Dispute as to the process to be followed under this clause 12 or as to the meaning of the situations or circumstances described in clause 12.3(d)(i) to 12.3(d)(x) will first be referred to the Relationship Management Group for resolution, and, failing resolution by the Relationship Management Group, be dealt with under clauses 26.2 and 26.3, and if that does not resolve the matter, either party may refer the Dispute to Expert Determination for resolution.

12.4 Change in Laws

- (a) The Provider is to comply with this Agreement and each Services Agreement even if relevant Laws change from their actual or reasonably foreseeable state as at the date of this Agreement or the relevant Services Agreement (for example, because change has been foreshadowed or announced). However, some financial relief may be available under clause 12.4(d)(i) where the change in Laws expressly and exclusively applies to the Properties, to housing providers providing Housing and Housing Services to HUD or to community housing providers registered under the PCHM Act (if applicable) (*Qualifying Change in Law*).
- (b) The Provider and HUD may each notify the other of an actual or impending Qualifying Change in Law, explaining the likely effects of the Qualifying Change in Law on the operation of this Agreement and any Services Agreement, as soon as practicable (and ideally before it comes into force). This notice must give details of:
  - (i) the resulting necessary change to the Services and the steps that the Provider will need to take as a result of that Qualifying Change in Law being implemented;
  - (ii) any increase or decrease in the Provider’s costs in complying with this Agreement or any Services Agreement as a result of the Qualifying Change in Law; and
  - (iii) any changes required to this Agreement or any Services Agreement,and must also attach a draft amendment document recording the changes required to this Agreement or any Services Agreement.
- (c) The parties are to meet promptly to discuss and agree the likely effect (including financial consequences) of the Qualifying Change in Law and how the Provider can minimise or mitigate its effects.



- (d) Within 10 Business Days of that meeting (or such longer period as may be reasonably required), HUD is to either:
- (i) accept the Provider's notice of change (or agree a variation of it), including in respect of any compensation payable for a change of costs as a result of the Qualifying Change in Law; or
  - (ii) amend this Agreement or any Services Agreement as far as necessary to avoid or mitigate the consequences of the Qualifying Change in Law; or
  - (iii) notify the Provider that it disputes the Provider's notice of change,
- and any Dispute in relation to the above will first be dealt with by the Relationship Management Group. Failing resolution through the Relationship Management Group, the Dispute may be dealt with under clauses 26.2 and 26.3 (and if that does not resolve it, either party may refer it to Expert Determination).

#### 12.5 Documentation

- (a) The parties will document any agreed change to this Agreement pursuant to this clause 12 by execution of an applicable variation agreement setting out the terms on which the change is to be implemented.
- (b) Pending execution of the variation agreement referred to in clause 12.5(a) and subject to clause 12.3(d), the Provider is to, if directed by HUD, implement a HUD-initiated Change Proposal on the basis set out in such Change Proposal.

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**PART D – PAYMENT**

This Part describes how the Provider is paid, how invoicing is to be done and how HUD may register an encumbrance or land covenant in gross pursuant to a Services Agreement.

**13 SERVICES AGREEMENT PAYMENT****13.1 Obligation to pay**

- (a) In each Payment Period, HUD is to pay the Provider each Services Agreement Payment in accordance with the relevant Services Agreement.
- (b) A negative amount may be due, in which case this amount will then be owing to HUD by the Provider.

**13.2 Reporting and invoicing**

- (a) Reporting for the purposes of payment calculations, and invoicing, will be as specified in the relevant Services Agreement. All invoices must be tax invoices in a form approved by HUD and be for the amount (if any) calculated to be payable by HUD, plus GST (if any).
- (b) HUD may reject as invalid a report or invoice that is incomplete, incorrect or fails to meet the requirements of the Services Agreement.

**13.3 Payment**

- (a) HUD will only pay (or procure payment to) the Provider once HUD has received a valid tax invoice from the Provider and the required reports for the Payment Period to which that invoice relates.
- (b) HUD will pay or procure payment of the amount stated in any valid tax invoice within five Business Days of receiving it, unless HUD disputes it.
- (c) HUD will make payments (or procure payments are made) direct to the Provider's nominated bank account in New Zealand, for which the Provider must have provided a pre-printed deposit slip or other official bank confirmation.
- (d) The mere fact of payment by or on behalf of HUD does not mean HUD accepts that the Provider has performed in that Payment Period, nor does it show any waiver of HUD's rights.
- (e) If a report shows a net amount owed by the Provider to HUD, the Provider will pay that amount to HUD within 10 Business Days following HUD issuing the Provider an invoice for the amount set out in that report.
- (f) All late payments under this Agreement or any Services Agreement will bear interest at the Prescribed Rate from the due date for payment until the date of actual payment in full.
- (g) All payments under this Agreement or any Services Agreement are to be invoiced and paid in New Zealand dollars.

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#### 13.4 Unintended invoice errors

If it is found at any time that an invoice issued to a party pursuant to this Agreement and any Services Agreement contains any unintended and/or unintentional error and a party has been overcharged or undercharged, then the party who has identified such incorrect invoice will notify the other party. The next invoice submitted by the party who provided the invoice containing such errors to the other party is to take account of, and make an adjustment for, the relevant amount overcharged or undercharged in the relevant invoice. Any Dispute in relation to the errors will be referred to the Relationship Management Group. Failing resolution through the Relationship Management Group, clauses 26.2 and 26.3 will apply (and failing resolution, either party may refer the Dispute to Expert Determination).

#### 13.5 Disputed Amounts

- (a) Each party may dispute and withhold payment of any amount invoiced by the other party under this Agreement or any Services Agreement if it considers it not to be due and payable as invoiced (a *Disputed Amount*), pending agreement or determination in relation to that Disputed Amount. Otherwise, each party must pay any amount invoiced (including any undisputed portion of an invoice) by the other party on or before the date payment is due.
- (b) Each party will notify the other through the Relationship Management Group of any Disputed Amount within five Business Days of receipt by it of the relevant invoice, giving particulars of the Disputed Amount and any supporting evidence.
- (c) The other party is to respond to the notice of a Disputed Amount through the Relationship Management Group within a further five Business Days. If the other party does not so respond, or agrees the Disputed Amount is not due and payable, the disputing party will not be required to pay the Disputed Amount.
- (d) If a party disputes the other party's notice of a Disputed Amount, the matter will first be resolved by the Relationship Management Group, and failing such resolution, will be resolved under clauses 26.2 and 26.3 as a Dispute (and if that does not resolve it, it will be subject to Expert Determination).
- (e) If it is agreed or determined that:
  - (i) a party has withheld an amount that the other party was entitled to be paid; or
  - (ii) a party has claimed and has been paid an amount that it was not entitled to be paid,the withheld amount or refund due must be paid, plus interest at the Prescribed Rate from the due date for payment or the date on which the refund was claimed, to the date of actual payment in full.
- (f) Each party is to continue to comply with this Agreement even if the other party has disputed an amount invoiced.

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**13.6 Recovery and set-off**

- (a) If the Provider does not provide the Services as required, or if this Agreement or the relevant Services Agreement is terminated and any payment has been made by HUD in advance of the relevant Services being provided, HUD may:
  - (i) require the Provider to:
    - (A) repay a portion of the amount already paid to the Provider; or
    - (B) reduce the amount to be paid in respect of subsequent Payment Periods; or
  - (ii) suspend or delay future payments due until a remedy plan is agreed and implemented.
- (b) Any amount to be so repaid, reduced, suspended or delayed will be reasonably determined by HUD following discussion with the Provider (by way of the Relationship Management Group) and will be proportionate in the circumstances having regard to the seriousness and/or pervasiveness of the non-performance (and shall be, in respect of each Property, limited to an amount no greater than the Services Agreement Payment payable in respect of such Property for the period for which the reduction or deduction is applicable).
- (c) Any repayment due from the Provider is to be paid within 10 Business Days of the date of HUD's notice to do so.

**13.7 Goods and Services Tax**

- (a) In this clause 13.7, words and phrases defined in the GST Act have the meaning given in that Act, unless the context requires otherwise.
- (b) Unless expressly provided to the contrary, any consideration payable for a supply made under this Agreement and/or any Services Agreement is stated before the addition of any GST chargeable on that supply.
- (c) Where GST is chargeable on a supply made (or deemed by the GST Act to be made) by one party (the *Supplier*) to the other party (the *Recipient*) under this Agreement and/or any Services Agreement, the Supplier will issue a tax invoice to the Recipient and the Recipient will pay to the Supplier the GST chargeable on that supply, in addition to and at the same time as the consideration payable for that supply, unless section 5(23) of the GST Act applies to that supply.
- (d) Each party will provide the other with any information reasonably requested by it in relation to the amount of GST chargeable on a supply made under this Agreement and/or any Services Agreement.
- (e) If an amount payable under or in connection with this Agreement and/or any Services Agreement is calculated or determined by reference to an expense, cost, loss or outgoing of a party (the *Relevant Expense*), the Relevant Expense amount for the purpose of calculating the payment is to be reduced

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by an amount equal to any deductible input tax credit or any deduction from output tax available to the person in respect of that Relevant Expense.

### 13.8 Acknowledgement in respect of Services

The Provider acknowledges that the entirety of each Services Agreement Payment is consideration for the Provider providing the Services and making the Properties available for use by Housing Clients in accordance with this Agreement and the relevant Services Agreement. It is not consideration for the supply of any other services by the Provider. Unless expressly provided for in any Services Agreement, no payment will be made by or on behalf of HUD to the Provider in respect of the Provider's supply of any other services.

### 13.9 Encumbrance or land covenant in gross

- (a) To protect HUD's interests under this Agreement and any relevant Services Agreement which specifically provides for an encumbrance and/or land covenant in gross, the Provider agrees to HUD being entitled to register such encumbrance and/or land covenant in gross as specified in the Services Agreement and having, where relevant, such priority as may also be specified (subject to the terms of any applicable Financier Direct Deed). The terms of such document will be in a form standard for HUD and will be presented to the Provider with the Services Agreement.
- (b) HUD agrees to release any such encumbrance and/or land covenant in gross on the Expiry Date, or as otherwise specified in the relevant Services Agreement or Financier Direct Deed.

### 13.10 Rates and Taxes

The Provider is responsible for and will pay all rates and Taxes assessed on or in relation to the Properties, or under or in connection with the Services, this Agreement and each Services Agreement (or will ensure such rates and Taxes are paid).

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**PART E – CONFIDENTIALITY AND INTELLECTUAL PROPERTY**

This Part records how HUD and the Provider will keep information confidential, and how each party will deal with its, and the other's, intellectual property.

**14 CONFIDENTIALITY OF INFORMATION****14.1 Non-disclosure**

Subject to clause 14.2, HUD and the Provider will each treat all Confidential Information it receives as strictly confidential, not disclose it to any third party or use it other than for the purposes of this Agreement or a Services Agreement, unless:

- (a) the Confidential Information is already in the public domain or known to the recipient; or
- (b) the Confidential Information has been independently developed by the recipient; or
- (c) the Confidential Information is required to be disclosed by virtue of any Laws, court order or stock exchange rules; or
- (d) the disclosure is authorised by this Agreement or a Services Agreement; or
- (e) the disclosure is first approved by the other party; or
- (f) the disclosure is to the party's officers, employees, contractors, sub-contractors, agents, financiers or professional advisors and/or such party's financiers' professional advisors on a need-to-know basis, and the proposed recipient is made aware of this clause 14 and agrees to observe it. The disclosing party will be responsible for ensuring confidentiality is observed.

**14.2 Further permitted disclosure by HUD**

HUD may disclose the Confidential Information of the Provider to:

- (a) Ministers, members of Cabinet and relevant Select Committees and in accordance with other parliamentary processes;
- (b) any potential new provider (except any Confidential Information that is commercially sensitive information), provided HUD makes the recipient of such information aware that such information is confidential;
- (c) the Regulatory Authority; and
- (d) any other government agency on a need-to-know basis,

provided that:

- (e) HUD will first notify the Provider in writing of the relevant proposed disclosure and allow the Provider a reasonable opportunity to comment on the proposed disclosure (including making a request for commercially sensitive information

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to be redacted in relation to clauses 14.2(a), 14.2(c) or 14.2(d)) to the extent:

- (i) HUD is not prevented from doing so under relevant Laws; and
  - (ii) it is reasonably practicable to do so in the relevant circumstances,
- and HUD will have regard to the Provider's comments (including any requested redacted commercially sensitive information) before making such disclosure; and
- (f) if HUD is prevented under relevant Laws from notifying, or it is not reasonably practicable to notify, the Provider in advance of any disclosure under clauses 14.2(a), 14.2(c) or 14.2(d), it will notify the Provider in writing as soon as practicable after it has been made.

#### 14.3 Application of Official Information Act 1982 and Ombudsmen Act 1975

The Provider acknowledges that HUD is subject to the *Official Information Act 1982* and the *Ombudsmen Act 1975* and may be obliged to disclose Confidential Information under those Acts. HUD will use its reasonable endeavours to advise the Provider of any such request received by it that relates to Confidential Information of the Provider and to the extent reasonably practicable, will allow the Provider a reasonable opportunity to comment on any Confidential Information HUD proposes to, or is required to, disclose under those Acts.

### 15 COLLECTION, USE, STORAGE AND DISCLOSURE OF PERSONAL INFORMATION

#### 15.1 Provider's Obligations

The Provider is to:

- (a) comply with the *Privacy Act 2020* when collecting, using and disclosing Personal Information, including Personal Information of Tenants and other Housing Clients;
- (aa) where it is required by any Services Agreement to collect Personal Information and provide it to HUD, take all reasonable steps to ensure the individual from whom the information is collected is aware of:
  - (i) the fact the information is being collected;
  - (ii) the purpose for which the information is being collected; and
  - (iii) that HUD is an intended recipient of the information;
  - (iv) the name and address of the Provider and HUD;
  - (v) the rights of access to, and correction of, the information under the Privacy Act;
- (b) only access the Personal Information of Housing Clients where it has appropriate authority to do so, and will ensure that all of its officers,

TEMPLATE

employees, contractors, sub-contractors and agents comply with this obligation;

- (c) only use Personal Information that is either disclosed by HUD and MSD, or collected by the Provider, its personnel (including its officers, employees, agents, contractors and sub-contractors) for the purposes of this Agreement and/or any Services Agreements, for the purposes of carrying out the Provider's obligations under the relevant agreement or as otherwise authorised by the *Privacy Act 2020*;
- (d) securely dispose of any Housing Client's Personal Information when no longer needed in a manner required by, or consistent with, Law;
- (e) ensure that all conflicts of interest (including those of its officers, employees, contractors, sub-contractors and agents) in relation to access to or use of Personal Information are notified and managed in accordance with clause 8.6; [
- (f) take appropriate steps to verify the identity of any person asking for Personal Information before any disclosure is made, and only disclose if permitted by the *Privacy Act 2020*;
- (g) redirect any person to HUD or MSD (as applicable) where that person believes that HUD or MSD holds Personal Information about him or her that is inaccurate and should be corrected; and
- (h) ensure that if a breach of the *Privacy Act 2020* has or may have occurred in respect of any Personal Information of a Tenant, Housing Client or HUD Personnel, the Provider:
  - (i) notifies the Privacy Commissioner if required by the *Privacy Act 2020* to do so, and otherwise responds to the breach in accordance with the current privacy breach guidelines (including voluntary guidelines) published by the Office of the Privacy Commissioner; and
  - (ii) cooperates with HUD to manage and address the breach.

## 15.2 Security of Personal Information

- (a) The Provider is to:
  - (i) ensure that all Personal Information held by it is protected from loss, unauthorised access, use, modification, disclosure or other misuse, including ensuring that all hard copy Housing Client records are securely stored when not in use;
  - (ii) immediately notify HUD of any actual or suspected loss, unauthorised access, use, modification, disclosure or other misuse of any Personal Information of a current or former Housing Client; and
  - (iii) co-operate with HUD where any investigation is undertaken into any actual or suspected unauthorised access, use or disclosure of Personal Information.

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**Commented [JC6]:** Does leaving this undermine the other provisions?

**Commented [JM7R6]:** I think it does - it suggests no notification or agreement to management strategy. There is a overarching question to be answered by our approach - i.e. how much we trust Providers on there own.

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- (b) Personal Information about Housing Clients may only be exchanged between HUD, MSD and the Provider through, and in accordance with, any Personal Information privacy policies applying to the Housing Client System, as set out in the Operational Guidelines, except where:
  - (i) it is necessary to disclose Personal Information over the telephone, in which case the Provider is to take all reasonable care to ensure that Personal Information is only disclosed when the Provider is satisfied that they are speaking with HUD Personnel; or
  - (ii) this Agreement or a Services Agreement expressly provides otherwise; or
  - (iii) HUD expressly agrees otherwise in writing.

## 16 INTELLECTUAL PROPERTY

### 16.1 Pre-existing Intellectual Property

Each of HUD and the Provider will own, or be the licensee of, all Intellectual Property and Intellectual Property Material that it owns or has on licence before the Commencement Date of this Agreement (or, where relevant, the Commencement Date of the previous *Relationship Agreement for Provision of Housing and Housing Services* entered into between the parties) or that it develops independently of the performance of this Agreement and/or any Services Agreement. Neither party acquires any rights or interest in that pre-existing Intellectual Property or Intellectual Property Material of the other by virtue of this Agreement and/or any Services Agreement.

### 16.2 Developed Intellectual Property

HUD will own all Intellectual Property and Intellectual Property Material developed by it from its Intellectual Property and/or Intellectual Property Material referred to in clause 16.1. The Provider will own all other Intellectual Property and Intellectual Property Material developed as part of, or for the purposes of, the Services, this Agreement or a Services Agreement.

### 16.3 HUD licence

HUD licences to the Provider (on a non-exclusive, irrevocable (unless the Provider ceases to have a Services Agreement) and royalty-free basis) for the Term its Intellectual Property and Intellectual Property Material referred to in clause 16.1 and clause 16.2 that needs to be used for the purposes of this Agreement or any Services Agreement, provided it is only used for such purposes. HUD may impose such restrictions on use of that Intellectual Property and Intellectual Property Material as it considers fit, provided that if such restrictions will make it materially more onerous (by increasing the cost and/or risk to the Provider) for the Provider to meet its obligations under this Agreement and/or a Services Agreement, HUD may only do so by way of a Change Proposal under clause 12 of this Agreement.

### 16.4 Provider licence

- (a) The Provider grants to HUD, and to all other governmental entities or agencies with an interest in housing, a non-exclusive, transferable,

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irrevocable, royalty-free licence (including the right to grant sub-licences), for the Term, to use and develop the Provider's Intellectual Property and Intellectual Property Material developed through performance of this Agreement and/or any Services Agreement in order to obtain the full benefit of the Services.

- (b) The Provider will not limit the licence in clause 16.4(a) through any contract or arrangement entered into with another third party (subject to the licence terms of any off-the-shelf third party software).

#### 16.5 No warranty

Neither HUD nor the Provider gives any warranty to the other as to the suitability for the other's purposes of any Intellectual Property or Intellectual Property Material licensed under this clause 16. Neither party may in any way prejudice ownership by the other party of the other party's Intellectual Property or Intellectual Property Material.

#### 16.6 Licence to sub-contractors

With HUD's prior written approval, the Provider may grant a licence of certain HUD Intellectual Property and/or Intellectual Property Material licensed to the Provider under clause 16.3 to a sub-contractor, solely to use that HUD Intellectual Property and/or Intellectual Property Material for performance by that sub-contractor. HUD may require a direct acknowledgement from the sub-contractor of the terms of this clause 16.

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PART F – INDEMNITIES AND LIABILITY

This Part records who is responsible if this Agreement is not observed or things otherwise go wrong. The aim is to allocate risk and responsibility.

17 INDEMNITIES

17.1 General indemnities

Subject to clause 17.3 (and except where the Provider is a Crown entity or *Public Finance Act 1989* Schedule 4A company that provides Housing Services to HUD), the Provider will indemnify HUD and all HUD Personnel from and against all Claims, Losses and Liabilities arising from:

- (a) death or personal injury;
  - (b) loss of or damage to any property:
    - (i) belonging to HUD or for which HUD is responsible; or
    - (ii) belonging to any third party;
  - (c) breach of statutory duty; and
  - (d) third party Claims made against HUD or any HUD Personnel,
- arising from or in connection with:
- (e) the Provider’s breach of this Agreement or any Services Agreement;
  - (f) any reckless, negligent act or omission of the Provider;
  - (g) to the extent permitted by Law, any Provider breach of Law; or
  - (h) an Intellectual Property Claim (other than as a result of HUD engaging in any modification or updating of any Provider Intellectual Property Material or any breach by HUD of a licence under clause 16.4).

17.2 Release of Indemnified Parties

HUD and HUD Personnel will have no responsibility or liability to the Provider or any of its related companies or related entities (or any of its or their officers, employees, contractors, sub-contractors or agents) in connection with any Claims, Losses or Liabilities arising from the Provider’s or any of its related companies’ or related entities’ (or any of its or their officers, employees’, contractors’, sub-contractor’ or agents’) use or occupation of any Property, and to the extent permitted by law and subject to clause 17.3 the Provider absolutely releases each of them from any such liability.

17.3 Limits on indemnity cover

The Provider’s liability to indemnify HUD or any HUD Personnel shall be reduced proportionately (including, for the avoidance of doubt, to zero) to the extent that the Claims, Losses and Liabilities result directly from:

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- (a) the Provider acting in accordance with HUD's written directions from HUD's representatives on the Relationship Management Group implemented in accordance with this Agreement;
- (b) an unlawful, reckless or negligent act or omission of HUD or any HUD Personnel;
- (c) any HUD failure to perform under this Agreement or any Services Agreement;
- (d) any valid claim of a Force Majeure Event;
- (e) any exercise of a Step-in Right by HUD except as a direct result of a breach by the Provider of this Agreement or the Provider's negligence; or
- (f) any refusal by a Tenant or Occupant to allow access to a Property, where the Provider has notified HUD of such access issues and has used all reasonable endeavours to as a reasonable and prudent tenancy manager to obtain access to the Property in compliance with this Agreement, the relevant Services Agreement and the relevant Tenancy Agreement or occupancy agreement,

except to the extent that such act or omission under clause 17.3(b) or 17.3(c) was caused or contributed to by any act or omission of the Provider.

#### 17.4 Privity

Clause 17 is (for the purposes of the *Contract and Commercial Law Act 2017*) intended to confer benefits in favour of, and be enforceable by, all relevant HUD Personnel.

#### 17.5 Duty to mitigate

Where any Claims, Losses or Liabilities are suffered by an Indemnified Party and give rise to an obligation on the Provider to indemnify under clause 17.1, the Indemnified Party shall do everything it can reasonably do within its power to avoid or mitigate the effect of the Claim, Loss or Liability.

#### 17.6 Conduct of third party indemnity claims

- (a) Where HUD or any HUD Personnel wish to make a claim against the Provider under this Agreement or any Services Agreement in relation to a claim made against it or them (as the case may be) by a third party (a *Third Party Claim*), HUD shall (and shall ensure that any such HUD Personnel shall) give notice of that Third Party Claim to the Provider as soon as reasonably practicable setting out in reasonable detail, particulars of the same.
- (b) Subject to clause 17.6(c), HUD will not, and will use its best endeavours to ensure that no HUD Personnel will, settle or compromise any Third Party Claim made against the relevant person without the prior written consent of the Provider, provided that the Provider complies with its obligations under clause 17.7(a).

TEMPLATE

- (c) If HUD or any HUD Personnel (or a party acting on their behalf) elect to settle or compromise any Third Party Claim made against the relevant person without the prior written consent of the Provider, the Provider’s liability to HUD or any HUD Personnel under such Third Party Claim shall be restricted to the lesser of:
  - (i) the amount agreed between the parties to represent the most reasonably expected amount that could have been recovered at Law in respect of such Third Party Claim (if any), taking into account all defences, limitations and exclusions of liability available (provided that if the parties cannot agree on such an amount within 30 Business Days of commencing discussions, either party may require that it is determined in accordance with the dispute resolution process set out in Part J); and
  - (ii) the actual amount of the settlement or compromise.

**17.7 Provider’s undertakings**

The Provider undertakes that:

- (a) it shall not (and shall procure any sub-contractors shall not), without the prior written consent of HUD, settle or compromise any claim to which HUD is, or is likely to become, a party;
- (b) it shall ensure that, where requested by HUD, its sub-contractors give undertakings identical to those given by the Provider to HUD under this clause 17.7; and
- (c) where the Provider (and/or the Provider’s insurers) elect to instruct a solicitor to investigate or defend any Third Party Claim against the Provider and, in the Provider’s reasonable opinion, HUD is likely to become materially involved in that claim, the Provider will use all reasonable endeavours to procure that the insurers agree to waive client privilege to any information or documents supplied to the solicitor to the extent necessary to enable such information or documents to be provided to HUD on request.

**18 HUD’S REMEDIES FOR PROVIDER BREACH**

HUD’s remedies in respect of any Provider breach of this Agreement or any Services Agreement are any one or combination of the following (at HUD’s election, but subject to clause 20):

- (a) the granting of an injunction, order for specific performance or other discretionary remedy by a court, including a right to damages for the direct losses it has suffered as a result of the non-performance (excluding any consequential loss);
- (b) Step-in Rights and recovery of direct Losses under clause 21 and associated provisions of the Services Agreement (if applicable);
- (c) termination rights under clause 22.3; and/or
- (d) any other right or remedy expressly provided for in the Contract Documents.

**19 INSURANCE AND PROVIDER'S CLAIMS**

- (a) The Provider is to ensure that all insurance policies required by any Services Agreement are procured, effected, held and maintained (as applicable) for the duration of the Term.
- (b) If the Provider is required by any Services Agreement to hold insurance, it will not bring any Claim against HUD or any HUD Personnel to the extent that the Provider recovers (or would have been able to recover had it held such insurance or properly claimed under such insurance) the relevant Losses under such insurance. If the Provider fails to hold, maintain, or voids, any such required insurance, then it will have no Claim at all to the extent that the insurance would reasonably be expected to have responded to such claim. HUD acknowledges that occasions may arise where it may not be possible or financially or reasonably practicable for the Provider to obtain certain types of insurance, and the Services Agreement may reflect this accordingly.

**20 NO DOUBLE COUNTING**

Notwithstanding any other provision of this Agreement and any Services Agreement, neither party is entitled to recover compensation or make a Claim under this Agreement or any Services Agreement in respect of any Loss that it has incurred to the extent it has already been compensated in respect of that Loss under this Agreement, any Services Agreement, or other Contract Document.

**20A LIMITATION OF LIABILITY**

- (a) HUD may agree in some circumstances to a limitation of the Provider's liability to HUD under or in connection with a Services Agreement.
- (b) Subject to clause 20A(c) below, the Provider's maximum aggregate liability to HUD and any other Indemnified Party under or in connection with such a Services Agreement shall be limited to the amount specified (if any) in the relevant Services Agreement (the *Liability Cap*).
- (c) Any Liability Cap specified in a Services Agreement will be exclusive of the following (to the extent applicable):
  - (i) any recovery or set-off amounts applied or required to be paid pursuant to clause 13.6 of this Agreement;
  - (ii) liability for wilful default, fraudulent or criminal actions;
  - (iii) liability arising out of abandonment by the Provider;
  - (iv) liability that cannot be excluded at Law; and
  - (v) any other exclusions set out in the relevant Services Agreement.

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**PART G – STEP-IN**

This Part describes how HUD can “step-in” to perform the Services, instead of the Provider, if it needs to.

**21 STEP-IN RIGHTS**

HUD will have, as a discretionary remedy without prejudice to its other rights, remedies and powers, such Step-in Rights, if any, as may be specified in a Services Agreement. HUD will only exercise its Step-in Rights where it reasonably considers it needs to take action in connection with any of the Properties or Services in serious circumstances as described in the Services Agreement. Any exercise by HUD of its Step-in Rights will have such consequences as are specified in the Services Agreement, including the recovery of direct Losses.

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PART H – TERMINATION

This Part sets out when and how this Agreement and any Services Agreement can be terminated.

22 TERMINATION EVENTS

22.1 Termination of this Agreement

Notwithstanding any other provision of this Agreement or a Services Agreement, this Agreement cannot be terminated for so long as any Services Agreement remains in force (unless all Services Agreements are also terminated on the same effective date).

22.2 Termination for Convenience

Subject to clause 22.1, either party may at any time terminate this Agreement or any Services Agreement, for convenience, without needing a specific reason, unless the Services Agreement expressly negates the right to do so. To do so, the party terminating must give the other at least 70 Business Days’ notice of termination (unless a different period is specified in a Services Agreement). Following termination on this basis:

- (a) the Provider will continue to provide the Services until the end of the notice period;
- (b) HUD will continue to pay for the Services as provided for in the Services Agreement until the end of the notice period; and
- (c) clause 25.2 of this Agreement will apply, where relevant.

The Services Agreement may contain further provisions specific to termination.

22.3 Termination on Provider default

Without limiting any of its other rights or remedies but subject to clause 22.1, HUD may terminate this Agreement or any Services Agreement if the Provider defaults under this Agreement or any Services Agreement, provided such termination occurs in accordance with the following process:

- (a) At any time after any of the following events or circumstances, HUD may give a Termination Notice with immediate effect and without providing any opportunity for Provider remediation:
  - (i) the Provider being given notice from the Regulatory Authority specifying that the Regulatory Authority is revoking that Provider’s registration under the PCHM Act (notwithstanding any appeal rights of the Provider to the District Court);
  - (ii) the Provider assigns this Agreement or a Services Agreement in breach of clause 28.2 or a Change of Ownership occurs without HUD’s consent in breach of clause 29.1;
  - (iii) a Provider Insolvency Event; or



- (iv) the Provider or any of its officers, employees, contractors, sub-contractors or agents knowingly makes any materially false, misleading or incorrect statement in any report, notice or invoice to HUD (where such statement is made with the knowledge and/or authority of the governance body of the Provider).
- (b) In the following events or circumstances, HUD must first provide an opportunity for Provider remediation by giving the Provider notice (with a copy to the Regulatory Authority) specifying the default in reasonable detail and requiring it to be remedied following the process and timeframes set out in this clause 22.3:
  - (i) the Provider has not complied with its insurance obligations under this Agreement or a Services Agreement;
  - (ii) the Provider has materially breached a Contract Document (other than this Agreement or a Services Agreement);
  - (iii) any Material Adverse Effect resulting from a breach of any of the warranties set out in clause 3.11;
  - (iv) a Persistent Failure; or
  - (v) it becomes unlawful for the Provider to provide the Services (except to the extent that the ground for such unlawfulness is (or is eligible to be) the subject to a Change Proposal under clause 12 of this Agreement); or
  - (vi) the Provider or any of its personnel (including its officers, employees, agents, contractors and sub-contractors) is subject to a Conflict of Interest which is not being managed, or cannot be managed, to HUD's satisfaction.

For the avoidance of doubt, references to "remedy" (or its other grammatical forms) in this clause 22.3 is intended to include, where applicable, preventing the recurrence of a default.

- (c) Following receipt of HUD's notice under clause 22.3(b), the Provider is to:
  - (i) within 15 Business Days, propose a rectification programme that is acceptable to HUD (acting reasonably), specifying:
    - (A) the timeframe within which the default will be remedied;
    - (B) a work plan for remedying the default within that timeframe; and
    - (C) any temporary measures being put in place to mitigate the effects of the default; and/or
  - (ii) remedy the default within:
    - (A) if the Provider has proposed a rectification programme that is acceptable to HUD pursuant to clause 22.3(c)(i), the timeframe specified in the rectification programme; or

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**Commented [JC8]:** Could add a termination for a material conflict that isn't being managed, but that seems inconsistent with the "Persistent Failure" regime which requires 12 months of default...

**Commented [JM9R8]:** I think we move to a simpler regime - default, remediation, not remedied in reasonable period, termination.

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- (B) a timeframe reasonably acceptable to HUD.
- (d) During the implementation of such rectification programme, the Provider is to keep HUD advised of progress against the agreed timeframes. HUD may agree to a reasonable variation of the relevant plan where circumstances beyond the Provider’s reasonable control affect its implementation.
- (e) If, after following the process in clauses 22.2(c) and (d) above, the Provider still has not remedied the default specified in HUD’s original notice, to HUD’s satisfaction, then HUD may give the Provider a Termination Notice containing a Termination Date which is not less than 30 Business Days’ from the date of the Termination Notice.

22.4 Prolonged Force Majeure Event

HUD may terminate the relevant Services Agreement in the event the Provider is unable to perform all or a material part of the Services due to a Force Majeure Event of six months’ or more duration. HUD must give not less than 30 days’ notice of termination to the Provider.

23 CONSEQUENCES OF TERMINATION

23.1 Calculation of Compensation Amount

- (a) If this Agreement or any Services Agreement is terminated under:
  - (i) clause 22.2, HUD will pay such compensation for early termination as may be specified in that Services Agreement. Any such compensation must be based on principles of fairness to both parties and take into account all relevant factors, including the risk of future non-performance by the Provider and, if applicable in the relevant circumstances, that the Provider has not breached the Services Agreement and has not acted negligently in performing its obligations under the Services Agreement; or
  - (ii) clauses 22.3 or 22.4, no compensation will be paid to the Provider, unless provided otherwise in the Services Agreement.
- (b) If any compensation is payable, it will be in full and final settlement of any and all Claims the Provider may have against HUD, but without affecting pre-existing or accrued rights or entitlements of HUD or the ability of the Provider to recover any amounts properly accrued or incurred prior to such termination to the extent such amounts have not been taken into account in determining the compensation specified in a Services Agreement.

23.2 Effect of Termination

Following HUD issuing the Provider with a Termination Notice:

- (a) the Provider will continue to provide the Services until the Termination Date;
- (b) HUD will continue to pay for the Services as provided for in the Services Agreement, until the Termination Date; and

(c) clause 25.2 will apply.

**23.3 No effect on pre-existing obligations or other Services Agreement**

Subject to clause 23.1(b) termination has no effect on any accrued or pre-existing obligations, nor does any termination in relation to one Services Agreement of itself have the effect of terminating any others.

**23.4 Provisions surviving termination**

The following provisions survive any termination of this Agreement: clauses 8.1, 9, 14, 15, 16, 17, 20A, 23, 24, 25, 26, 27, 30, 31, 35, 37 and 39.

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PART I – EXPIRY AND DISENGAGEMENT

This Part describes how HUD and the Provider will disengage from each other at this end of this Agreement and/or any Services Agreement, to ensure a smooth transition.

24 EXPIRY DATE OF SERVICES AGREEMENT

On the Expiry Date of a Services Agreement (or within five Business Days of such Expiry Date):

- (a) subject to its set-off rights, HUD will make any payments (or procure payments are made) which are due to the Provider pursuant to the relevant Services Agreement; and
- (b) the Provider is to pay all money it owes to HUD pursuant to the relevant Services Agreement.

25 DISENGAGEMENT

25.1 Preparation

- (a) If requested by HUD a reasonable period of time prior to the Expiry Date or Termination Date of a Services Agreement (but, in the case of expiry of a Services Agreement, no earlier than 12 months prior to the Expiry Date, unless both parties agree otherwise), the Provider is to prepare and provide to HUD a Disengagement Plan in respect of a Services Agreement as soon as reasonably practicable, but in any event within 30 Business Days.
- (b) Following receipt by HUD of the Disengagement Plan pursuant to clause 25.1(a), the parties shall meet to discuss to agree any Disengagement Services that the Provider is to supply during the Disengagement Period.
- (c) If and to the extent the Provider incurs any direct and unavoidable costs in providing any Disengagement Services agreed pursuant to clause 25.1(b):
  - (i) such costs will be to HUD’s account in accordance with the relevant Services Agreement where the relevant Services Agreement has been terminated for convenience by HUD;
  - (ii) such costs will be to the Provider’s account where the relevant Services Agreement has been terminated pursuant to clause 22.3 of this Agreement; and
  - (iii) the parties will agree, at the same time the relevant Disengagement Services are agreed pursuant to clause 25.1(b), which party or parties shall bear such costs (and the extent to which such costs shall be borne) where the Services Agreement is to expire.

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**25.2 Disengagement Services**

During the Disengagement Period, the Provider will:

- (a) supply the Disengagement Services in accordance with the Disengagement Plan (if applicable);
- (b) co-operate fully with HUD or its nominee and any new provider;
- (c) implement any necessary or prudent transfers, assignments and novations (as specified or contemplated by the Disengagement Plan);
- (d) implement any other transactions and operational handover activities; and
- (e) do all other things required by this Agreement, any other Contract Document or otherwise reasonably required by HUD (and agreed to by the Provider (acting reasonably)), to (as applicable) enable the Services to cease being provided by the Provider to HUD or where the Properties are, or their management is to be, transferred to a subsequent provider (as permitted under, and effected in accordance with, a Contract Document), to support a seamless transfer of responsibility for the Properties and/or the Services to HUD or its nominee or any new provider.

**25.3 HUD as attorney**

- (a) The Provider irrevocably appoints HUD as the Provider's attorney and gives it full power and authority to carry out the Provider's obligations under this clause 25.
- (b) For the avoidance of doubt, the power of attorney contained in clause 25.3(a) does not allow for HUD to transfer the Properties to any person except to the extent that such transfer is permitted under, and effected in accordance with, a Contract Document.

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PART J – DISPUTE RESOLUTION

This Part sets out how any disputes between HUD and the Provider will be resolved.

26 DISPUTES

26.1 Relationship Management Group

Without limiting any other provision of this Agreement, the parties are to first seek to resolve any Disputes through the Relationship Management Group. If the Relationship Management Group fails to resolve any Dispute within a reasonable timeframe or in a manner which results in an outcome acceptable to a party (acting reasonably), the Dispute will be dealt with under the remaining provisions of this clause 26.

26.2 Notice of Dispute

If a Dispute continues to exist following the application of clause 26.1, then either party can provide a notice (a *Notice of Dispute*) to the other party, setting out in full the facts of the Dispute, the contractual context or other legal basis for it and what relief it seeks (if applicable). The fact of the Dispute does not relieve either party from its obligations under this Agreement or any Services Agreement, pending resolution of the Dispute.

26.3 Informal Dispute resolution

Once a Notice of Dispute has been given, each party is to first use its best efforts to resolve the dispute through good faith negotiations and informal dispute resolution techniques such as internal escalation within each party’s organisation (including up to the chief executive level) or mediation.

26.4 Disputes between HUD and any Crown entity

Clauses 26.5 to 26.9 and clause 27 do not apply to any Dispute between HUD and any Crown entity or *Public Finance Act 1989* Schedule 4A company that provides Housing Services to HUD). Instead, if a Dispute between them cannot be resolved under clause 26.3, then it will be referred to their respective Ministers for resolution.

26.5 Arbitration

- If:
- (a) the Dispute is not resolved under clause 26.3 within 15 Business Days from the date of the Notice of Dispute being given;
  - (b) this Agreement does not require that the Dispute be subject to Expert Determination; and
  - (c) the parties have not otherwise agreed to refer the Dispute to Expert Determination,
- then:

- (d) either party may notify the other that it wishes the Dispute to be referred to arbitration, in Wellington, by a named arbitrator and under the *Arbitration Act 1996*; and
- (e) if the parties then cannot agree on the arbitrator within five Business Days, the arbitrator will be chosen by the President of the New Zealand Law Society (or his or her nominee).

#### 26.6 Qualifications of arbitrator

Any arbitrator must be suitably qualified to resolve the Dispute and independent of both parties.

#### 26.7 Award

The arbitrator's award must include reasons and will be final and binding on the parties, although either of them may appeal to the High Court on any question of law arising out of the award.

#### 26.8 Costs

Costs will be borne in the manner determined by the arbitrator, or, if no determination as to costs is made by the arbitrator, each party will bear its own costs and an equal share of the costs of the arbitration.

#### 26.9 Referral to Expert Determination

If the Dispute is not resolved informally and this Agreement requires it will be subject to Expert Determination, either party may notify the other that it wishes to refer the Dispute to Expert Determination under clause 27.

#### 26.10 No court proceedings

Except for an appeal on a point of law, neither party will bring court proceedings if there is a Dispute. However, a party may nevertheless seek urgent injunctive, declaratory or urgent interlocutory relief from the courts.

### 27 EXPERT DETERMINATION

- (a) If either HUD or the Provider wishes to refer a Dispute to Expert Determination under this clause 27, the parties are to first agree on an appropriate independent expert, but if they cannot within five Business Days, a party can request:
  - (i) the chief executive of an internationally recognised independent firm of chartered accountants (such firm to be nominated by the President of the New Zealand Law Society) or his or her nominee to appoint the independent expert if the Dispute is a financial Dispute; and
  - (ii) the President of the New Zealand Law Society to appoint the independent expert for all other Disputes.

That person will be requested to appoint an independent expert suitably qualified and experienced in relation to the subject matter of the Dispute and

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who accepts the timeframes for determination set out in this Agreement (the *Independent Expert*).

- (b) Once the Independent Expert has been agreed or nominated, either party may within a further five Business Days refer the Dispute to the Independent Expert by providing notice to the other party and the Independent Expert.
- (c) The Independent Expert must make the determination (including reasons for it) based on the information made available by the parties and will notify the parties of that determination within 30 Business Days of the referral.
- (d) Either party may make a written submission to the Independent Expert. Submissions will be provided to the Independent Expert and the other party no later than 10 Business Days after the referral of the matter to the Independent Expert.
- (e) Either party may submit a written response to the other party's written submissions within 15 Business Days of the referral.
- (f) The Independent Expert may call for further submissions, documents or information from either or both parties and/or may call a private conference between the parties (and, if they wish, their legal advisors).
- (g) The Independent Expert will decide how any conference is conducted as well as any other procedures or timeframes needed to resolve the Dispute.
- (h) In reaching a determination, the Independent Expert will have regard to the parties' written and oral submissions and the relevant terms of this Agreement and/or any Contract Document. The Independent Expert may also:
  - (i) rely on his or her own knowledge, skill and experience in relation to the matter in Dispute;
  - (ii) review and revise any opinion, instruction, determination or decision given or made under this Agreement and/or any Contract Document;
  - (iii) make his or her own enquiries without consulting the parties; and
  - (iv) after consulting with the parties, commission his or her own advisors or consultants.
- (i) In making his or her determination, the Independent Expert is not required to observe the rules of evidence.
- (j) The Independent Expert will act as an expert and not an arbitrator and his or her determination will be final and binding on the parties, unless there is some manifest error.
- (k) The parties will implement the determination in accordance with the Independent Expert's directions.

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- (l) The Independent Expert must treat all information disclosed to him or her as confidential and will not disclose it to anyone other than to resolve the Dispute. All such information remains the property of the disclosing party.
- (m) Unless the Independent Expert orders otherwise, each party will meet its own costs in connection with resolution of the Dispute and the Independent Expert's and other costs will be borne equally.
- (n) The Independent Expert will not be liable to the parties in relation to the Expert Determination, except in the case of fraud or bad faith.

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**PART K – MISCELLANEOUS TERMS**

This Part contains a range of general miscellaneous provisions necessary for the proper operation of this Agreement and any Services Agreement.

**28 ASSIGNMENT****28.1 Assignment by HUD**

HUD may only assign and/or transfer all or part of its rights and/or obligations under this Agreement and any other Contract Document without the prior written consent of the Provider to:

- (a) any part of the Crown, as that term is defined in section 2 of the *Public Finance Act 1989*; and
- (b) any other public body whose obligations under each Contract Document are unconditionally and irrevocably guaranteed (in a form reasonably acceptable to the Provider) by the Crown,

where Government policy so dictates and so long as the assignee enters into a deed of covenant to observe this Agreement.

**28.2 Assignment by Provider**

- (a) The Provider may only assign and/or transfer all or part of its rights and/or obligations under this Agreement and any other Contract Document in accordance with this clause 28.2.
- (b) The Provider may at any time request, in writing, for HUD to consent to it transferring or assigning all or part of its right, title and interest in and under any Contract Document to another housing provider.
- (c) The Provider is to provide any information that HUD requests in relation to the proposed transfer or assignment including information regarding the proposed transferee or assignee.
- (d) HUD may, in its absolute discretion, after receiving the information regarding the proposed transfer or assignment, decide whether to agree (with or without conditions) to the proposed transfer or assignment.
- (e) If HUD agrees to the proposed transfer or assignment, then:
  - (i) the Provider is to ensure that any conditions imposed by HUD are complied with to HUD's satisfaction;
  - (ii) the Provider is to procure the transferee or assignee to enter into an agreement with HUD in the form of the relevant Contract Documents; and
  - (iii) the Provider and the transferee or assignee must obtain all approvals in relation to the proposed transfer or assignment and execute all documents relating to the transfer or assignment.

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- (f) HUD agrees:
- (i) not to unreasonably withhold consent to any transfer; and

(ii) to promptly do all things necessary to enable the transfer to occur.

29 CHANGE OF OWNERSHIP

29.1 Restriction on Provider Change of Ownership

A Change of Ownership may only occur with HUD’s prior consent (subject to clause 29.3).

29.2 Notification

- (a) The Provider is to notify HUD of any proposed Change of Ownership, with particulars of the change.
- (b) The Provider will facilitate any probity investigations that HUD may need to undertake as a result.

29.3 HUD determination

HUD may withhold its consent to a Change of Ownership if it considers the Provider will not be as financially, technically or managerially capable as a result, or there would be some other adverse effect or increased risk to HUD in connection with this Agreement or any other Contract Document.

30 NOTICES

30.1 Notices and references

Each notice or communication under this Agreement (other than any communication that is required to be made through the Housing Client System) must be made in writing by email, personal delivery or by post to the addressee at the relevant contact details as set out below (which may be updated in any Services Agreement or by notice).

30.2 Contact details

The initial contact details for HUD and the Provider are:

HUD

Addressee: [●]

Address: [●]

Email: [●]

DDI: [●]

Provider

Addressee: [●]

Address: [●]

Email: [●]

DDI: [●]

30.3 **Deemed delivery**

A notice, consent or other communication for the purposes of this Agreement will be considered received at the earlier of time of actual receipt and:

- (a) in the case of a letter, on the fourth Business Day after posting;
- (b) in the case of an email, on the Business Day on which it arrives in the recipient's information system (or if received in that system after 5.00 p.m., on the next Business Day); and
- (c) in the case of personal delivery, when delivered.

31 **LIABILITY**

Where at any time, the Provider consists of more than one person, each person shall be jointly and severally liable in respect of the obligations under this Agreement and each Services Agreement. If the Provider is acting in a trustee capacity, subject to being personally liable for liabilities incurred as a result of its fraud, negligence or wilful breach of the terms of the trust, its liability under this Agreement and each Services Agreement is otherwise limited to the assets that it holds in that trustee capacity.

32 **COUNTERPARTS**

This Agreement may be signed in different copies. A party may enter into this document by executing any counterpart.

33 **SEVERABILITY**

If any provision of this Agreement or any other Contract Document becomes unenforceable, illegal or invalid for any reason, it will be read as modified accordingly, to the extent necessary to remove that character, or severed from this Agreement or other Contract Document.

34 **WAIVER**

If HUD waives any rights on a particular occasion, that waiver only operates for that occasion and does not set any precedent.

35 **PUBLIC DISCLOSURE**

Any public disclosure by a party relating to the Contract Documents must be approved by the other party prior to its release.

36 **ENTIRE AGREEMENT**

The Contract Documents constitute all agreements about their respective subject matter.

37 **FURTHER ASSURANCES**

A party must, at its own expense and in a timely manner, do all things and execute all documents reasonably necessary to give effect to any Contract Document.

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38 **AMENDMENTS**

No amendment to this Agreement or any Services Agreement will be effective unless it is in writing and signed by duly authorised signatories of each party.

39 **GOVERNING LAW**

This Agreement and all Contract Documents are governed by New Zealand Laws and the New Zealand courts will have jurisdiction to determine any dispute.

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EXECUTION

Signed as an Agreement.

EXECUTED by the parties on the date appearing at the top of page 1.

SIGNED for and on behalf of THE SOVEREIGN IN RIGHT OF NEW ZEALAND ACTING BY AND THROUGH THE CHIEF EXECUTIVE OF THE MINISTRY OF HOUSING AND URBAN DEVELOPMENT under delegated authority by:

\_\_\_\_\_  
Signatory name:  
Signatory title:

SIGNED for and on behalf of [INSERT FULL LEGAL NAME OF PROVIDER] by:

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Signatory name:  
Signatory title:

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Signatory name:  
Signatory title:

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