

The Custodian Trustee Services comprise:

Financial and Client Service

Annually

- Prepare and provide annual statements of accounts
- Prepare and file Income Tax Returns
- Liaise with Responsible Trustees of the Trust regarding Trust distributions
- Pay distributions to owners for whom relevant details are held including filing RWT Return if applicable

Monthly/Regularly

- Invoice generation
- Paying invoices
- Receiving income
- Keep accounts of received/paid
- GST Returns (if required)

Ongoing

- Hold documents of title
- Maintain and update owners register (updating details in response to owner and Māori Land Court communications)

Charges for Custodian Trustee Services

- Annual Fee \$1,200 *
- Trust distribution fee – 2.5% of gross value of Trust distribution
- Receipt of lease or other rental – 7.5% of gross rental received
- Filing GST return - \$120
- Filing RWT return - \$120

** This is the annual fee for Trusts where financial statements are prepared as part of our bulk preparation service, the number of annual transactions is low, and the Trust requires minimal administration support advice. For Trusts not fitting this criteria and requiring Special Purpose Accounts, the fee will be actual third party cost plus 15% to cover Te Tumu Paeroa preparation and administration.*

Additional costs

- Initial set up cost - If the Client has not been receiving Agency Services from Te Tumu Paeroa immediately prior to these Terms coming into force a one-off flat fee of \$1,500 is charged
- If Trust requires audit of financials – auditor's costs are passed on to the Trust at cost and any Te Tumu Paeroa services required in connection with the audit are charged at an hourly rate of \$200



- Attendances to clarify or obtain instructions of the responsible trustees are charged at an hourly rate of \$200

The charges above are exclusive of GST. GST is added to the above amounts. All disbursements in connection with the Custodian Trustee Services are passed on at cost.

Charges are made at the following times:

- The annual fee is charged once a year, usually in June
- Charges for Trust distributions are made at the time of the Trust payment run
- Charges for receipt of lease or other rental are made at the time the rental is received
- Charges for filing GST and RWT returns are made following the returns being filed
- All other charges are made following the completion or part completion of an attendance

Notes

- To receive Custodian Trustee Services, the Client must hold all Trust funds in the Māori Trustee's Common Fund and arrange for all future income during the term of this agreement, including rental income, to be paid directly into the Client's Common Fund account. This enables Te Tumu Paeroa to complete tax returns, receive income, pay expenses and arrange trust distributions.
- All Common Fund account holders are entitled to a share of Common Fund investment income earned by the fund calculated in accordance with the Māori Trustee Act 1953 and Māori Trustee Regulations 2009, and identified in the accounts and communications as "distributable income".
- Te Tumu Paeroa receives a management fee for managing the Common Fund. The management fee is paid from gross income earned by the Common Fund investments. Your Trust does not pay a separate fee. The management fee is determined in accordance with the Māori Trustee Act 1953 and Māori Trustee Regulations 2009. The current management fee charged by Te Tumu Paeroa for managing the Common Fund is set out in our website at www.tetumupaeroa.co.nz.
- Setup: If the Client has not been receiving Custodian Trustees Services from Te Tumu Paeroa immediately prior to these Terms coming into force then the service will also include.
 - Establishment of owners register/first loading of owner details
 - Establish account of the Client in the Common Fund and accounts of the owners of the Client
 - Transfer of historic accounting information

The Agency Services comprise:

Property Management Service

This service comprises the following to the extent required:

- Schedule and arrange lease inspection
- Send copy of lease inspection report to the Client
- Communicate with the Client regarding action on the report



- Communicate with tenant regarding the report
- Undertake lease expiry action as required
- Negotiate, arrange and prepare leases and other lease related documentation in connection with rent reviews, lease renewals and new leases. Liaise with the Client in relation to these matters.
- Conduct a lease tender process
- Arrange for noting of documents with the Māori Land Court
- Invoice rental
- Communicate with the Client regarding lease arrears or breaches for Responsible Trustees to take further legal action.

Trustee Administration Support Service

This service comprises:

- Assisting the Client with questions Responsible Trustees may have regarding Māori Land Court processes and trust reviews
- Providing information held by Te Tumu Paeroa on behalf of the trust to support trustees to hold meetings of owners and trustees
- Assisting the Client with questions Responsible Trustees may have regarding their responsibilities under their Trust order.

Set up of Meeting Services

This service comprises:

- Booking and paying venue for date/time set by responsible trustees
- Sending invites and meeting papers to meeting participants

Service does not include:

- Organising agenda or preparing meeting papers
- Receiving or responding to meeting participant enquiries
- Secretarial services at or after a meeting
- Attendance at a meeting

Charges for Agency Services

Property Management Services

- This service is provided without additional cost while the Trust receives the Custodian Trustee Service.
- Where the Māori Trustee is no longer Custodian Trustee, this service is charged at 7.5% of gross rental received plus GST

Trustee Administration Support Service

- Attendances are charged at an hourly rate at either \$200, or \$350, depending on complexity of the support being given.



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- The charges above are exclusive of GST. GST is added to the above amounts. All disbursements in connection with the Agency Services are passed on at cost.

Set Up of Meeting Service

- \$400 plus actual disbursements (printing, postage, venue etc)

Notes

Services do not include or constitute:

- Legal advice
- Advice about the whenua and decisions relating to it
- Secretarial services for holding meetings or trust reviews
- Attendance at meetings or trust reviews.

Preparation and review of contracts other than leases, demands and Property Law Act notifications and actions must be carried out or arranged by a third-party lawyer engaged directly by the Client.

Advice and attendances in connection with and the preparation and issuing of legal proceedings must be carried out or organised by third party lawyers engaged directly by the Client.

Custodian Trustees Services

Te Tumu Paeroa agrees:

- To carry out the Custodian Trustee Services regardless of whether you will be receiving Agency Services.
- That if we need any information to carry out the Custodian Trustee Services we will advise you of that.
- To promptly respond to any questions or queries you have about the Custodian Trustee Services.

The Responsible Trustees agree:

- To let us know if you have any questions or queries about the Custodian Trustee Services.

Agency Services

Te Tumu Paeroa agrees:

- To carry out the Agency Services and confirm the date when these will begin.
- To promptly respond to any questions or queries you have about the Agency Services
- That you may stop receiving the Agency Services on one months' notice to us.
- That where we subcontract others to perform all or any part of the Agency Services, we remain responsible to you for Agency Services

The Responsible Trustees agree:

- To let us know if you have any questions or queries about the Agency Services.
- To give us one months' notice if you wish to stop receiving the Agency Services.
- That we may subcontract others to perform all or any part of the Agency Services.

Service Standards

Te Tumu Paeroa agrees:

To carry out Services in a timely, diligent and proper manner. We will re-perform any Services at no cost to you if this does not occur.

The Responsible Trustees agree:

To let us know if you believe we have not carried out Services in a timely, diligent and proper manner and to give us a reasonable opportunity to re-perform any affected services.

Instructions/Authority

The Responsible Trustees agree:

That they are and will continue to be compliant with the requirements of their Trust order.

Where instructions or approvals concern any of the following matters, the instruction or approval must be given in writing from at least a majority of the Responsible Trustees:

- The entering into a new lease
- The entering into any other contract
- The renewal of a term of a lease



- A Trust distribution to owners
- Acquisition or disposal of a Trust asset
- Payment of unbudgeted Trust expenditure
- Payment of trustee fees
- The filing of tax returns
- Any other matter that the Te Tumu Paeroa advises in writing from time to time.

For all other matters Te Tumu Paeroa may receive the instruction, consent or information from the Trust's Relationship Manager or one or more trustees.

That Te Tumu Paeroa shall be under no obligation to act on any instruction or approval which it reasonably considers is contrary to law or any lawful direction or order, ultra vires the powers of the Client or otherwise conflicts with the Client's constitutional documents.

That Te Tumu Paeroa shall be entitled to treat every instruction and approval as lawful and proper and shall not be required to make any independent enquiries in connection with the instruction or approval.

Start Date for Services under these Terms

If the Client received Custodian Trustee services from us as at 30 September 2023, then 1 October 2023.

In all other cases, and provided we have the information we need:

- the Custodian Trustee Services will begin on the date we are appointed Custodian Trustee and;
- the Agency Services will begin when we notify you of that.

Charges for Services

These are set out in the Services and Charges Schedule for Custodian Trusts.

Change to Charges

Te Tumu Paeroa agrees:

To give you at least one months' notice of any change to charges.

The Responsible Trustees agree:

That we may change our charges on one months' to you.

Payment

Te Tumu Paeroa agrees:

We will charge your Trust's common fund account with charges and any disbursements, costs or other expenses we incur in connection with carrying out the Custodian Trustee Services and Agency Services.

The Responsible Trustees agree:

- That we may pay our charges from the Trust's common fund account
- That we may set off any amount the Trust owes us from future income



Information

Te Tumu Paeroa agrees:

- To use the information you provide us only for the purposes of carrying out the services and matters relating to that.
- That if we need any information to carry out the services we will advise you of that.

The Responsible Trustees agree:

- That the information you provide us with can be used for the purposes of carrying out the services and matters related to that.
- To promptly provide us with any information we request to allow us to carry out the services within a reasonable time and so as not to delay the provision of the services. Indicative reasonable timeframes to provide common instructions, approvals and information are set out in Appendix 1.
- To promptly advise us of any changes to the information and provide any updated information so that the information we hold is current and accurate.
- That you have given notice of any changes to the information so we can assume that it is current and accurate and rely on it and deal with other persons on this basis.

Change of Custodian Trustee

Te Tumu Paeroa agrees:

To continue to provide you with Agency Services even after we cease being Custodian Trustee if that is what you wish.

The Responsible Trustees agree:

If we cease being Custodian Trustee, to let us know if you do not wish us to continue to provide Agency Services.

Change of Responsible Trustees/Advisory Trustees

The Responsible Trustees agree:

To promptly let us know if there are any changes to the responsible trustees or advisory trustees of the Trust.

Intellectual Property

The Responsible Trustees agree:

To respect our rights and any other owners' rights in documents and any other material developed or used in connection with providing the services.

Complaints

Te Tumu Paeroa agrees:

To use our best efforts to promptly resolve all complaints in a fair and equitable manner.



The Responsible Trustees agree:

To promptly advise us of any complaints you have relating to the services and give us a reasonable opportunity to resolve them.

Our Liability

The Responsible Trustees agree:

That, except in the case of fraud or wilful default, the Māori Trustee's/ Te Tumu Paeroa's maximum liability for any loss or damage suffered or incurred by the Trust and/or the Responsible Trustees, due to any one or more related acts or omissions in connection with the carrying out of the services, is limited to the lesser of (a) the proven direct loss or damage and (b) \$5,000 (five thousand dollars).

Under no circumstances shall the Māori Trustee/Te Tumu Paeroa be liable for indirect or consequential loss or damage of any kind.

Indemnity

The Responsible Trustees agree:

To indemnify us from any loss we incur or suffer in connection with our carrying out of the Custodian Trustee Services and/or Agency Services provided we have not acted unlawfully or negligently.

Changes to Terms and Services

Te Tumu Paeroa agrees:

To provide you with at least one month's notice of any change to the Services or these Terms.

The Responsible Trustees agree:

That we may change any of the services (including discontinuing them) or these Terms on one month's notice to you.

Notices

Te Tumu Paeroa agrees:

To provide you notices to the Responsible Trustees by email to the most current email addresses we hold for the Responsible Trustees.

The Responsible Trustees agree:

To provide notices to Te Tumu Paeroa (for the attention of the Trust and Property Director) to contact@tetumupaeroa.co.nz

Relationship Managers

Te Tumu Paeroa agrees:

Unless we advise you otherwise, Te Tumu Paeroa's Relationship Manager is the Trust and Property Director for the time being of Te Tumu Paeroa.

The Responsible Trustees agree:

The Relationship Manager for the Trust will be the responsible trustee identified as such by the Responsible Trustees and confirmed in writing, and in the absence of such confirmation, Te Tumu Paeroa shall be entitled to treat any of the Responsible Trustees as the Relationship Manager.



Appendix 1 – Indicative reasonable timeframes to provide common instructions, approvals and information.

Activity	Timeframe	Rationale
Client to provide formal instructions regarding details for new lease	Within one month from request of Te Tumu Paeroa (Te Tumu Paeroa endeavours to seek and obtain this information at least four months before the lease is due to expire)	Time to undertake inspection, determine next steps and arrange a new lease.
Client to provide contact details regarding property emergency	Within 24 hours of contact from Te Tumu Paeroa	If a decision to protect the whenua needs to be made quickly, engagement is essential
Client to provide formal instructions regarding other property activities, e.g. in response to tenant wanting to surrender lease, variations to lease	Within one month from request of Te Tumu Paeroa	To ensure that the property request is dealt with in a timely manner for the tenant
Annual income tax questionnaire	Within one month from request of Te Tumu Paeroa (Te Tumu Paeroa requires this information by the end of April each year and endeavours to seek this information in good time to allow this.)	To allow time to prepare the Client's tax return with accurate information
Change to Relationship Manager	Within 14 days of a change by either party to their Relationship Manager	To enable the parties to be responsive to any issues in connection with this agreement
Change to Responsible Trustees – send court order to Te Tumu Paeroa	Within one month of the court order being issued to the Responsible Trustees	To enable the parties to be responsive to any issues in connection with the Agency Services
Provide formal approval for trust distributions	Within one month from request of Te Tumu Paeroa	To enable Te Tumu Paeroa to arrange a trust distribution and effect a payment run for owners in a timely manner