

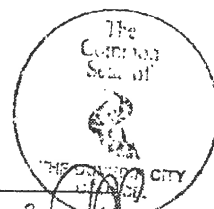
Excerpt Only

FORSYTH BARR STADIUM CATERING AGREEMENT

DATED , 2011

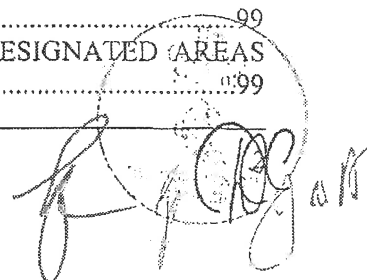
BETWEEN

- (1) **THE DUNEDIN CITY COUNCIL**
- (2) **COMPASS GROUP NEW ZEALAND LIMITED**
- (3) **DUNEDIN VENUES MANAGEMENT LIMITED**



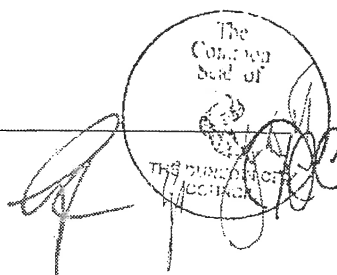
CONTENTS

Clause	Page
1. Definitions and Interpretation	5
2. Term	14
3. Grant of Rights	15
4. Use of Designated Areas, Rights Areas and Facilities	16
5. Payment Obligations	17
6. The Catering Equipment	18
7. Catering Obligations	19
8. Cleaning and Maintenance Obligations	26
9. DCC's Right to Alter Forsyth Barr Stadium	30
10. Licences and Relevant Legislation	30
11. Sale of Alcohol and Cigarettes	32
12. Operational Issues	33
13. External Catering and Franchises	40
14. Clean Venue Periods	42
15. BRANDING AND TRADEMARKS	43
16. Marketing	44
17. Business Plans, Budgets and Reports	44
18. Accounts	46
19. Representations, Warranties and Undertakings	47
20. Events of Default	47
21. Indemnities and Insurance	48
22. Sub-contracting and Assignment	51
23. Figures and Projections	51
24. Caterer's supply chain advantages	52
25. General	52
26. DISPUTE RESOLUTION	55
27. novation to dvml	56
SCHEDULE 1	59
FORSYTH BARR STADIUM PLAN	59
SCHEDULE 2	65
CATERER'S PAYMENTS	65
SCHEDULE 3	66
OCCUPATION OF DESIGNATED AREAS	66
SCHEDULE 4	69
THE CATERING EQUIPMENT	69
SCHEDULE 5	82
FRAMEWORK SERVICE LEVEL SCHEDULE	82
SCHEDULE 6	95
CATERING MARKETING RIGHTS AND RESTRICTIONS	95
SCHEDULE 7	97
HAZARD ANALYSIS AND CRITICAL CONTROL POINTS	97
SCHEDULE 8	98
DISCOUNTED PRICE	98
SCHEDULE 9	99
FORSYTH BARR STADIUM FOOD AND BEVERAGE FACILITIES DESIGNATED AREAS PLAN	99



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SCHEDULE 10.....	104
LOOSEWARES.....	104
SCHEDULE 11.....	106
Projected number of Functions and Events.....	106

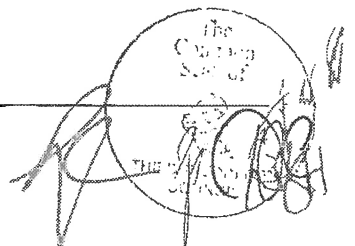


THIS FORSYTH BARR STADIUM CATERING AGREEMENT is made on between the following parties:

- (1) **The Dunedin City Council ("DCC")** a territorial authority under the Local Government Act 2002.
- (2) **Compass Group New Zealand Limited, ("the Caterer")** a wholly owned subsidiary of Compass Group PLC, a publicly listed FTSE 100 company listed on the London Stock Exchange. It is incorporated under the laws of New Zealand, company registration number 231063, with registered office at Level 3, 15 Sultan Street, Ellerslie, Auckland 1051.
- (3) **Dunedin Venues Management Limited ("DVML")** a Dunedin City Council owned company which will operate the Forsyth Barr Stadium and other Dunedin venues.

BACKGROUND:

- (A) The Dunedin City Council is building a new stadium, the **"Forsyth Barr Stadium"** at University Plaza, Dunedin and intends that the Date of Practical Completion of the Forsyth Barr Stadium be on or around 1 August 2011.
- (B) The Dunedin City Council has entered into a conditional agreement to sell the Forsyth Barr Stadium to Dunedin Venues Limited ("DVL") on the date that is 5 working days after a Certificate of Practical Completion is issued or such later date as the Parties to that agreement may agree ("Settlement Date"). Dunedin Venues Limited has entered into a conditional agreement to lease the Forsyth Barr Stadium to Dunedin Venues Management Limited on and from the Settlement Date. Dunedin Venues Limited and Dunedin Venues Management Limited are wholly owned by the Dunedin City Council. The agreement to lease is conditional inter alia upon the issue of a Public Use Certificate for the Forsyth Barr Stadium.
- (C) On 13th September 2010 DVML issued an Invitation to Tender for the exclusive catering rights at the Forsyth Barr Stadium and other venues it is to operate.
- (D) The Caterer submitted its response to the Invitation to Tender on 11th October 2010.
- (E) The common objectives of the parties in relation to the Catering Services at the Forsyth Barr Stadium are (i) to provide patrons of the Forsyth Barr Stadium with the Catering Services which attempt to exceed the highest standard of other equivalent sporting venues within New Zealand; (ii) to maximise customer satisfaction; (iii) to provide such services which encourage return patronage to the Forsyth Barr Stadium; (iv) to provide the Catering Services to patrons of the Forsyth Barr Stadium which they will perceive as an integral and positive characteristic of the overall experience of attending an Event at the Forsyth Barr Stadium; and (v) to maximise financial returns for DCC and the Caterer (the "Common Objectives").



The Catering Society of New Zealand

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- (F) It is intended for the Caterer to have the exclusive catering rights to the Dunedin Centre and Town Hall when it re-opens after the current refurbishment which is expected to be completed in December 2012 on substantially the same terms and conditions as this Agreement and it is acknowledged that the Catering Rights Fee and Catering Equipment Payment in this Agreement have been calculated based on the Dunedin Centre and Town Hall being exclusively serviced by the Caterer.
- (G) Subject to final management structures being agreed DCC intends that DVML will manage the Edgar Centre and DVML intends to grant exclusive catering rights to the Caterer for the Edgar Centre on substantially the same terms and conditions as this Agreement not earlier than December 2012 and it is acknowledged that the Catering Rights Fee and Catering Equipment Payment in this Agreement have been calculated based on the Edgar Centre being exclusively serviced by the Caterer.
- (H) The parties have entered into this Agreement in good faith and with open, honest and reasonable expectations. The Caterer has undertaken to be transparent in its actions, undertakings and dealings at DCC Venues and to keep DCC informed at all times. DCC recognises that the Caterer is expecting a commercial return from its commitment to provide the Catering Services at the Forsyth Barr Stadium.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement the following terms have the following meanings:

"Access Date" means the date upon which DCC provides the Caterer with access to the Designated Areas;

"Agreement" means this Agreement and its Schedules;

"Alcohol Licence" means each alcohol licence required for the sale of alcohol at the Forsyth Barr Stadium in relation to the provision of the Catering Services;

"Ambush Marketing" shall mean any unauthorised or unofficial activity undertaken by or on behalf of the Caterer which materially and adversely affects the value or exercise of the commercial and/or marketing rights of DCC, any Eventholder, any of their respective commercial partners and/or sponsors or any Eventholder's Events, competing teams or players and any other person;

"Asset Management Expenditure" means expenditure on maintenance, replacement and refurbishment of the Catering Equipment;

"Asset Management Plan" means the asset management plan referred to in Clause 17.3;

"Asset Register" means the register of Catering Equipment referred to in Clause 8.4;

"Bid Event" means any Event which is required by an Eventholder to be held at the Forsyth Barr Stadium in a Clean Venue capacity;

5. PAYMENT OBLIGATIONS

5.1 Catering Equipment Payment

- (a) The Caterer shall pay to DCC the Catering Equipment Payment of NZ\$3,000,000.00 in accordance with Schedule 2 in consideration for the Catering Equipment, title to which shall transfer from DCC to the Caterer on receipt of payment.
- (b) The Caterer shall depreciate the book value of the Catering Equipment in a straight line over a period of 15 years commencing on the date of this Agreement.
- (c) Following the termination of this Agreement by DCC (which for the avoidance of doubt shall include the refusal by DCC to renew this Agreement pursuant to the Caterer's right at clause 2.1 (a) above) DCC shall purchase the Catering Equipment and the Loosewares (excluding the POS Systems, if any) at the then current book value determined in accordance with clause 5.1 (b) above or a price to be agreed between the parties.
- (d) Following the termination of this Agreement by the Caterer (which for the avoidance of doubt shall include the Caterer not exercising its right pursuant to clause 2.1 (a) above), DCC may in its sole discretion purchase the Catering Equipment and the Loosewares (excluding the POS Systems, if any) at the then current book value determined in accordance with clause 5.1 (b) above or a price to be agreed between the parties.

5.2 Catering Rights Fees

As consideration for the use by the Caterer of the Designated Areas expressed in clauses 4 and 6 of this Agreement for the Term, the Caterer shall pay to DCC:

- (a) the greater of:
 - (1) the Minimum Guarantee calculated and payable in the manner set out in clause 5.4 and Schedule 2; or
 - (2) the Catering Rights Fee calculated and payable in the manner set out in Schedule 2, and
- (b) the External Catering Rebate calculated and payable in the manner set out in Schedule 2.

5.3 Payments in respect of Minimum Guarantee

If at the end of any quarter in an Operating Year the cumulative amount of the Catering Rights Fee paid or payable by the Caterer in respect of that year (together with any amounts paid previously by the Caterer under this Clause in respect of the Minimum Guarantee for that Operating Year) is less than the expected proportion of the Minimum Guarantee for that year, the Caterer shall pay the shortfall to DCC when the Catering Rights Fee is payable in respect of the last month of that quarter. This clause shall apply only from the date that is six months after the Date of Practical Completion.

5.4 Contribution to cost of service

- (a) Subject to Clause 14.2(c), from the Date of Practical Completion (or earlier if agreed), the Caterer shall only pay for the heating, ventilation (including the preventative maintenance in

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THE CATERING COMPANY
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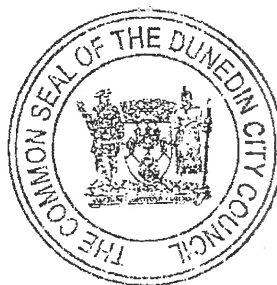
IN WITNESS of which this Agreement has been signed on behalf of the parties by their duly authorised representatives

THIS DEED was executed on the 22ND day of FEBRUARY 2012.

THE COMMON SEAL of THE DUNEDIN
CITY COUNCIL was hereto affixed
in the presence of }

Mayor


Councillor



SIGNED BY
for COMPASS GROUP
NEW ZEALAND LIMITED:

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)

Director

Director/Secretary

Date

SIGNED BY
for DUNEDIN VENUES
MANAGEMENT LIMITED:

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Director

Director/Secretary

Date

