**NOVATION OF CONTRACT**

THIS [AGREEMENT/DEED] is made on [date]

BETWEEN

[name and address of Outgoing Party] (**Outgoing Party**)

AND

[name and address of party to replace the Outgoing Party] (**Incoming Party**)

AND

[name and address of Continuing Party] (**Continuing Party**)

**BACKGROUND:**

A. The Continuing Party and the Outgoing Party entered into a contract dated [date] for [insert brief description of subject-matter] (**the Contract**).

B. The Outgoing Party wishes to be released from, and the Incoming Party is willing to assume, all of the Outgoing Party’s rights and obligations under the Contract.

C. The parties to this agreement have agreed that with effect from [the date of this agreement] [insert date] (**the Effective Date**), the Contract will be novated.

1. Novation
   1. With effect on and from the Effective Date:
      1. the Incoming Party will be substituted for the Outgoing Party under the Contract as if it had originally been a party to the Contract instead of the Outgoing Party, and all references in the Contract to the Outgoing Party will be construed as if they were references to the Incoming Party; and
      2. the Incoming Party will comply with the obligations, and take the benefit of the rights, of the Outgoing Party under the Contract.
2. Assumption and release
   1. [As and from the Effective Date,] the Outgoing Party is released from, and the Incoming Party assumes, all the obligations of the Outgoing Party under the Contract and all actions, claims or proceedings that the Continuing Party may have against the Outgoing Party under or in respect of the Contract relating to any act or omission of the Outgoing Party [on or after the Effective Date] [including any act or omission prior to the Effective Date].
3. Indemnity
   1. [The Outgoing Party agrees with the Incoming Party to indemnify and keep indemnified the Incoming Party from and against all costs, claims, damages, losses, liabilities and expenses (including legal expenses on a solicitor and client basis) incurred by the Incoming Party as a result of any action, demand, claim or proceeding against the Incoming Party by the Continuing Party under or in respect of the Contract relating to any act or omission of, or breach of Contract by, the Outgoing Party prior to the Effective Date.]
   2. The Incoming Party agrees with the Outgoing Party to indemnify and keep indemnified the Outgoing Party from and against all costs, claims, damages, losses, liabilities and expenses (including legal expenses on a solicitor and client basis) incurred by the Outgoing Party as a result of any action, demand, claim or proceeding against the Outgoing Party by the Continuing Party under or in respect of the Contract relating to any act or omission of, or breach of Contract by, the Incoming Party on or after the Effective Date.
4. Representations and warranties
   1. Each of the Outgoing Party and the Incoming Party represents and warrants to the Continuing Party and to each other that:
      1. it is a [corporation duly incorporated] and validly existing under the laws of New Zealand;
      2. it has the power to enter into and fully perform its obligations under and in respect of this agreement and has taken all necessary action to authorise the execution, delivery and full performance of this agreement;
      3. this agreement is a valid and binding obligation enforceable against it in accordance with its terms; and
      4. no application or order has been made for the winding up or liquidation of it, no action has been taken to seize or take possession of any of its assets, there are no unsatisfied judgments against it, and it is able to pay its debts as they fall due.
   2. The Outgoing Party and the Incoming Party each acknowledge that the Continuing Party has entered into this agreement in reliance on the representations and warranties contained in clause 4.1.
5. Expenses and taxes
   1. The Incoming Party will reimburse the Continuing Party for all its costs and expenses (including legal expenses on a solicitor and client basis) of and relating to the preparation, execution and completion of, or the enforcement of, or preservation of any rights under, this agreement, including legal costs and expenses on a full indemnity basis.

OR

* 1. Each party will pay its own costs and expenses associated with this agreement.

1. Miscellaneous
   1. **Notices**: For the purpose of the provisions of the Contract relating to service of notice and other communications, the address, facsimile and telephone numbers, and relevant person or office holder of the Incoming Party are set out after its name at the end of this agreement.
   2. **Governing** law and jurisdiction: This agreement will be governed by and construed in accordance with the laws of New Zealand and each of the parties submits to the non-exclusive jurisdiction of the Courts of New Zealand.
   3. **Counterparts**: This agreement may be executed in any number of counterparts, each of which, when taken together, are to constitute one and the same instrument. Each party may enter into this agreement by executing separate counterparts.

**SIGNED** on behalf of

the Outgoing Party by:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

SIGNED on behalf of

the Continuing Party by:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

SIGNED on behalf of

the Incoming Party by:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Notice Details

Address: [Address]

Facsimile No.: [Facsimile No.]

Telephone No.:[Telephone No.]

Attention: [Attention]