

## OTHER MATERIAL INFORMATION

### PASTORAL HOUSE PROPORTIONATE OWNERSHIP SCHEME

This Other Material Information document has been prepared to meet the requirements of section 57(1)(b) of the Financial Markets Conduct Act 2013 (FMCA) and clauses 48(1)(b) and 50(e) of Schedule 5 to the Financial Markets Conduct Regulations 2014 (FMCRR) in relation to an offer of Interests in the Pastoral House Proportionate Ownership Scheme (Scheme), as set out in a product disclosure statement (PDS) dated 24 January 2020.

Terms capitalised but otherwise undefined in this document have the meanings given to them in the PDS. This document must be read alongside the PDS.

**Dated:** 24 January 2020

## **1. Fee Assumptions**

The principal assumptions on which the estimates of the fees in Section 8 of the PDS “What are the Fees?” are based are detailed below.

### **Establishment fees**

The fees payable to Oyster are the fees as set out in the Deed of Participation. These are maximum amounts. The amount of the marketing fees, bank legal fees, and the legal setup costs, or components of those amounts, are Oyster’s best estimates, based on its experience and the information known to it at the date of the PDS, but may be subject to change. All other establishment fees set out at Section 8 of the PDS are maximum levels and cannot be increased. The fees payable to third parties (being those fees other than those payable to Oyster), in Oyster’s view, represent reasonable levels for the services of the relevant third party.

### **Ongoing fees and expenses**

The fees payable to Oyster are the fees as set out in the Deed of Participation. It has been assumed that only the Property Management Fee, Scheme Management Fee and Accounting Fee are payable during the periods to 31 March 2022.

The fees payable to others (being those fees other than those payable to Oyster) are Oyster’s best estimates, based on its experience and the information known to it at the date of the PDS, and, in Oyster’s view, represent reasonable levels for the services of the relevant third party.

## 2. Total Estimated Costs of Offer and Issue

The table below details the total of the amounts paid or agreed to be paid by, or on behalf of, 1 or more relevant persons in connection with the offer of Interests in the Scheme.

Type of Cost	Amount	Cost paid to	Reason for cost and description of services
Acquisition Fee	\$1,540,000	Oyster Management Limited	The fee payable to Oyster for locating Pastoral House and negotiating the contract to purchase Pastoral House, and developing this investment opportunity and establishing the Scheme.
Oyster Underwrite Fee	\$108,000	Oyster Management Limited	The fee payable to Oyster for underwriting the Offer.
Wyborn Underwrite Fee	\$589,500	Wyborn Capital Properties Limited	The fee payable to Wyborn Capital Properties Limited for underwriting the Offer.
Brokerage Fee	\$887,000	Oyster Management Limited	Fee payable to Oyster for arranging the sale of the Interests including any Interests subscribed for by Oyster under the Underwrite. From the brokerage fee, Oyster will pay any commissions payable to Colliers for arranging the sale of Interests.
Deposit Fee	\$50,000	Oyster Management Limited	The fee charged by Oyster as consideration for Oyster paying the deposit of \$1,500,000 on behalf of the Scheme. On the Settlement Date, the Scheme will pay Oyster the deposit fee and will also reimburse Oyster for the deposit funds paid.
Legal Setup Costs – Oyster charge	\$15,000	Oyster Management Limited	Charge paid to Oyster which reflects the time spent by its internal legal team on this Offer.
Accountancy - internal	\$10,000	Oyster Management Limited	Charge paid to Oyster which reflects the time spent by its internal accountancy team on this Offer.
Marketing	\$250,000		These are the costs for printing and design of this PDS, producing advertising material and advertising expenses.

Type of Cost	Amount	Cost paid to	Reason for cost and description of services
Legal Setup Costs - external	\$363,500	Russell McVeagh and Thompson Blackie Biddles	<p>These costs include:</p> <p>The \$313,500 fee paid to the Scheme's solicitors Russell McVeagh for the costs of reviewing the Offer documents, due diligence on Pastoral House, establishing the Scheme, settlement of Pastoral House and reviewing the Bank Loan documentation.</p> <p>The \$50,000 fee payable to Thompson Blackie Biddles for processing subscriptions and providing trust account service for receipt of subscription monies.</p>
Investigating Accountant	\$45,000	Ernst & Young Transaction Advisory Services Limited	The fee payable to Ernst & Young Transaction Advisory Services Limited for their Independent Limited Assurance Report, financial accounting and tax due diligence in relation to the Scheme's prospective financial statements.
Seismic assessment	\$20,200	Harrison Grierson	The fee paid to Harrison Grierson for reviewing the seismic strength of Pastoral House.
Property Due Diligence Reporting	\$67,250	Hampton Jones	The fee paid to Hampton Jones for preparing a technical due diligence report on Pastoral House.
Bank Legal	\$15,000	KiwiBank	The fee charged by Kiwibank's solicitors for arranging the bank financing.
Asset Valuation	\$11,000	Jones Lang LaSalle	The fee payable to Jones Lang LaSalle for the preparation of the valuation report on Pastoral House.
Plant & Machinery Valuation	\$11,000	CBRE	The fee payable to CBRE for the preparation of the valuation report on the plant and machinery located at Pastoral House.
Supervisor's fee	\$5,000	Covenant Trustee Services Limited	The Supervisor's fee for its services in relation to the establishment of the Scheme.

Type of Cost	Amount	Cost paid to	Reason for cost and description of services
Directors & Officers and Professional Indemnity Insurance	\$16,440	Aon	The fee payable to Aon for insurance in relation to the Offer.
PDS Registration Cost	\$5,690	Financial Markets Authority	Fees charged by the Financial Markets Authority for the registration of the PDS and registration of the Scheme.
Insurance Valuation	\$2,000	Jones Lang LaSalle	The fee payable to Jones Lang LaSalle for the preparation of the insurance valuation report on Pastoral House.
<b>Total</b>	<b>\$4,011,580</b>		

The above fees are exclusive of GST.

The above fees are payable by the Scheme; none are chargeable to Investors directly. In respect of certain fees set out above, Oyster has already met these costs on behalf of the Scheme or will pay those costs prior to settlement and, accordingly, is entitled to reimbursement on the Settlement Date. Other fees may be paid by Oyster between the date of the PDS and settlement. Those fees will be reimbursed to Oyster on the Settlement Date.