

Finance Proposal

Oyster Industrial Properties Limited

Private and Confidential

7 March 2022

ASB Bank Limited



The Directors
Oyster Industrial Properties Limited
55 Shortland Street
Auckland

PRIVATE & CONFIDENTIAL

Attention: Rachel Barr

FINANCE PROPOSAL

Thank you for your recent application for funding to assist with the purchase of 67 Main North Road, Christchurch and 100 Harris Road, Auckland. ASB Bank Limited ("**ASB**") has considered your application and we are pleased to advise that ASB is able to provide funding on the terms contained in this Finance Proposal.

Should you decide to proceed with this proposal, all facilities provided to you by ASB shall be subject to ASB's lending criteria, including ASB's General Terms and Conditions. The terms of the documents and any special conditions will be fully detailed in ASB's Facility Agreement(s) and security documentation ("**the Documents**"). If there is any conflict between the terms of this Finance Proposal and the terms of the Documents, the terms of the Documents shall prevail.

The Documents will be completed based on the named Loan Applicant(s) and Guarantor(s) described in the Facilities attachment. Should you wish to change these entities ASB may charge you ASB's then current re-documentation fee.

Borrower	Oyster Industrial Properties Limited
Facilities	Specified in Schedule 1
Securities	Specified in Schedule 2
Conditions Precedent to the initial Drawdown of the Facility	Specified in Schedule 3
Conditions subsequent to the initial Drawdown of the Facility	Specified in Schedule 4
Costs and Expenses	All legal costs and other expenses incurred in the preparation of the documents are to be paid by you upon demand. The legal costs will include ASB's own legal costs, where ASB requires its own solicitors to act (for example, to prepare or peruse documentation). For GST purposes, all invoices for such costs are required to be issued and addressed to ASB. Any GST charged in respect of these expenses is therefore not able to be claimed by the Borrower. ASB will consult with you prior to requesting its own solicitors to act on its behalf.
Material Adverse Change prior to Drawdown	The Borrower agrees to advise the Bank of any material or adverse change in its business or its commercial or financial prospects which may affect the Borrower or its ability to comply with its obligations under the Facility between the date you sign the acceptance letter in relation to this proposal and the date of any drawdown of the Facility.

Insurance	Comprehensive insurance is required for all secured assets, with ASB's interest noted.
Terms and Conditions	<p>Each Facility will be subject to the Bank's General Terms and Conditions (the "Terms").</p> <p>The Terms set out representations, warranties, undertakings, events of default, indemnities, and provisions relating to payments and set-off and other provisions customary for a Facility.</p> <p>Additional terms and conditions will be set out in the Facility Agreement(s), including key conditions as summarised in the attached schedules. Together the Terms and the relevant Facility Agreement are referred to as the "Facility Documents".</p> <p>In the event of any inconsistency or conflict between this terms sheet and the Facility Documents, the Facility Documents will prevail.</p>
Confidentiality	Details of this Finance Proposal are confidential to the Bank, the Borrowers and their respective professional advisors. Subject to any applicable law, no information relating to this proposal or the Facility may be disclosed by either the Bank or the Borrower to any third party (other than their respective professional advisors) without the prior consent of the Bank or the Borrower (as the case may be).

On receipt of written confirmation from you, in the form attached, that you wish to proceed with this Proposal, the Bank will proceed to document the Facilities.

If the Documents are not completed to ASB's total satisfaction, then ASB will be under no obligation to provide the facilities referred to in this Finance Proposal.

This Finance Proposal is open for acceptance until 25 March 2022.

If there is any part of this Finance Proposal that requires clarification, please do not hesitate to contact the writers on (Paul) 027 200 6823 or (Anna) 09 337 4285.

Yours sincerely



Paul van Druten
Senior Property Finance Manager
ASB Bank Limited



Anna Radovonich
Property Finance Account Manager
ASB Bank Limited

Schedule 1 – Facilities

FACILITY ONE	
Borrower	Oyster Industrial Properties Limited
Facility Type	Committed Cash Advanced Facility (CCAF), Annually Extendable.
Facility Limit	\$10,584,000
Term	36 months from initial drawdown. The facility is reviewed annually and extended by a further 12 months at the Bank and Borrower's discretion, which means you are not faced with re-documentation costs at the end of the initial term.
Repayments	Interest Only.
Purpose of Facility	To assist with the purchase of 67 Main North Road, Christchurch.
Interest Rate	The 30-day BKBM Bid Rate (currently 1.10% per annum), plus a margin of 2.25% per annum. This reflects a current total rate of 3.35% per annum. In the event you request the Bank to exercise the extendable component of the facility, the Bank may re-price the margin. The current market price for the further 12-month extension will be blended with the existing rate for the remaining term of the facility.
Establishment Fee	\$10,584 (0.10% of the Facility Limit)
Line fee	Nil.
Drawdown	In one lump sum on completion of all Conditions Precedent for Facility One (as set out in the Facility Documents).

FACILITY TWO	
Borrower	Oyster Industrial Properties Limited
Facility Type	Committed Cash Advanced Facility (CCAF), Annually Extendable.
Facility Limit	\$21,900,000 (Increase of \$11,316,000)
Term	36 months from initial drawdown. The facility is reviewed annually and extended by a further 12 months at the Bank and Borrower's discretion, which means you are not faced with re-documentation costs at the end of the initial term.
Repayments	Interest Only.
Purpose of Facility	To assist with the purchase of 100 Harris Road, Auckland and fully repay Facility One (\$10,584,000).
Interest Rate	The 30-day BKBM Bid Rate (currently 1.10% per annum), plus a margin of 2.25% per annum. This reflects a current total rate of 3.35% per annum. In the event you request the Bank to exercise the extendable component of the facility, the Bank may re-price the margin. The current market price for the further 12-month extension will be blended with the existing rate for the remaining term of the facility.
Establishment Fee	\$11,316 (0.10% of the Increase to Facility Limit)
Line fee	Nil.
Drawdown	In one lump sum on completion of all Conditions Precedent for Facility Two (as set out in the Facility Documents).

Note: The interest rates applicable to your facilities may change prior to drawdown of funds at the sole discretion of the bank

Schedule 2 – Securities

Securities for Facility One

1. Security Trust Deed, providing a "PariPassu" interest:
 - a) the Cross Guarantee between Oyster Industrial Properties Limited and Oyster Industrial Limited;
 - b) the Mortgages over 67 Main North Road, Christchurch, 14-16 Makaro Street, Wellington, 75 Wainui Road, Wellington, 101 McLaughlins Road, Auckland, 12 Harbour Ridge Road, Auckland, 71 Westney Road, Auckland and 77 Westney Road, Auckland;
 - c) the Composite General Security Deeds over Oyster Industrial Properties Limited and Oyster Industrial Limited;
 - d) any accession document in connection with the documents listed above;
 - e) any other security or guarantee granted by an Obligor in favour of the Security (Oyster Industrial Properties Limited)

Securities for Facility Two

1. Security Trust Deed, providing a "PariPassu" interest:
 - a) the Cross Guarantee between Oyster Industrial Properties Limited and Oyster Industrial Limited;
 - b) the Mortgages over 67 Main North Road, Christchurch, 100 Harris Road, Auckland, 14-16 Makaro Street, Wellington, 75 Wainui Road, Wellington, 101 McLaughlins Road, Auckland, 12 Harbour Ridge Road, Auckland, 71 Westney Road, Auckland and 77 Westney Road, Auckland;
 - c) the Composite General Security Deeds over Oyster Industrial Properties Limited and Oyster Industrial Limited;
 - d) any accession document in connection with the documents listed above;
 - e) any other security or guarantee granted by an Obligor in favour of the Security (Oyster Industrial Properties Limited)

Schedule 3 – Conditions Precedent to Initial Advance

Conditions Precedent to Facility One

Usual Conditions Precedent for facilities of this nature, including but not limited to provision and/or satisfaction of the following, in a form and substance acceptable to the Bank:

1. A Director's Certificate completed and executed by your Directors, on our standard form.
2. Evidence that all relevant insurance policies are in place and our interest is noted. This must include Full Replacement Insurance, Loss of Rental Income Insurance for not less than 24 months, and adequate Public Risk Insurance. The excess amount for earthquake damage must not be more than 5% of the sum insured.
3. Copies of the current compliance schedule, current Building Warrant of Fitness and, if applicable, the current fire sprinkler inspection certificate for all buildings which form part of our security and for which a compliance schedule has been issued in terms of the Building Act 2004.
4. Completion of Bank account opening forms and verifications and any other documents required under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (the Act). In particular, the Bank requires at least one form of certified photo identification for each director, signatory and beneficial owner (if different) together with confirmation of their physical address and any other information deemed necessary to comply with the Act.
5. Credit checks are to be completed for the Borrower and Director(s). These are to be confirmed satisfactory to ASB.
6. Copies of the Borrower's bank account and loan statements for the last 6 months, satisfactory to the Bank in all respects.
7. Confirmation that all fees and other amounts payable by you on acceptance of the Finance Proposal or before this Facility becomes available (including Consultancy Costs and legal fees) have been paid or arrangements for payment acceptable to us have been agreed.
8. A copy of the Sale and Purchase Agreement for 100 Harris Road, Auckland is to be provided to ASB.
9. A legal review of the existing 67 Main North Road, Christchurch lease agreement is to be provided and confirmed acceptable to ASB.
10. A copy of the executed Deed of Renewal and Variation of Lease for 67 Main North Road, Christchurch (Hellers Limited) is to be provided.
11. Seismic reports are to be provided for all Security Properties (as applicable) and confirmed satisfactory to ASB.
12. The existing draft valuation for 67 Main North Road, Christchurch, from JLL is to be finalised and readdressed to Westpac New Zealand Limited (Security Agent) and ASB Bank Limited with confirmation that the current market value is not less than \$40,850,000, exclusive of GST and chattels. The valuation must contain a mortgage recommendation and is to be confirmed acceptable by ASB's internal Property Risk Manager prior to drawdown.
13. The existing valuation for 71 Westney Road, Auckland, from JLL is to be readdressed to Westpac New Zealand Limited (Security Agent) and ASB Bank Limited with confirmation that the current market value is not less than \$41,700,000, exclusive of GST and chattels. The valuation must contain a mortgage recommendation and is to be confirmed acceptable by ASB's internal Property Risk Manager prior to drawdown.
14. The existing draft valuation for 14-16 Makaro Street, Wellington, from JLL is to be finalised and readdressed to Westpac New Zealand Limited (Security Agent) and ASB Bank Limited with confirmation that the current market value is not less than \$36,000,000, exclusive of GST and chattels. The valuation must contain a mortgage recommendation and is to be confirmed acceptable by ASB's internal Property Risk Manager prior to drawdown.
15. The existing draft valuation for 100 Harris Road, Auckland, from JLL is to be finalised and readdressed to Westpac New Zealand Limited (Security Agent) and ASB Bank Limited with confirmation that the current market value is not less than \$43,350,000, exclusive of GST and chattels. The valuation must contain a mortgage recommendation and is to be confirmed acceptable by ASB's internal Property Risk Manager prior to drawdown.

16. The existing draft valuation for 77 Westney Road, Auckland, from JLL is to be finalised and readdressed to Westpac New Zealand Limited (Security Agent) and ASB Bank Limited with confirmation that the current market value is not less than \$33,600,000, exclusive of GST and chattels. The valuation must contain a mortgage recommendation and is to be confirmed acceptable by ASB's internal Property Risk Manager prior to drawdown
17. The existing valuation for 101 McLaughlins Road, Auckland, from CBRE is to be readdressed to Westpac New Zealand Limited (Security Agent) and ASB Bank Limited with confirmation that the current market value is not less than \$22,650,000, exclusive of GST and chattels. The valuation must contain a mortgage recommendation and is to be confirmed acceptable by ASB's internal Property Risk Manager prior to drawdown.
18. The existing valuation for 12 Harbour Ridge Road, Auckland, from CBRE is to be readdressed to Westpac New Zealand Limited (Security Agent) and ASB Bank Limited with confirmation that the current market value is not less than \$15,850,000, exclusive of GST and chattels. The valuation must contain a mortgage recommendation and is to be confirmed acceptable by ASB's internal Property Risk Manager prior to drawdown.
19. The existing valuation for 75 Wainui Road, Wellington, from CBRE is to be readdressed to Westpac New Zealand Limited (Security Agent) and ASB Bank Limited with confirmation that the current market value is not less than \$31,500,000, exclusive of GST and chattels. The valuation must contain a mortgage recommendation and is to be confirmed acceptable by ASB's internal Property Risk Manager prior to drawdown.
20. Your solicitor is to confirm that:
 - a) The offering of securities complies with the Securities Act 1978 and the Financial Markets Conduct Act 2013 and, to the extent applicable, any relevant exemption notice;
 - b) The offering is fully subscribed and that there is no vendor finance;
 - c) The subscribers to the offer are not otherwise related parties to the transaction (unless agreed by the Bank); and
 - d) No one single investor holds more than 25% of the issue.
21. Any other conditions precedent that are usual for a facility of this nature that we may from time to time reasonably require and advise you of in writing.

Conditions Precedent to Facility Two

Usual Conditions Precedent for facilities of this nature, including but not limited to provision and/or satisfaction of the following, in a form and substance acceptable to the Bank:

1. A Director's Certificate completed and executed by your Directors, on our standard form.
2. Your acknowledgment that Facility One will be repaid in full from this advance.

Schedule 4 – Conditions subsequent to Initial Advance

1. All facilities are subject to annual review.
2. We reserve the right to request updated registered valuations at your expense.
3. You will advise us in a timely manner of any material matters in relation to, existing lease terms, and/or tenant vacations or disputes, and/or rental arrears.
4. You are to maintain a minimum weighted average lease term of three years.
5. The Interest Cover Ratio must not be less than 2.00 times. The Interest Cover Ratio to be measured as the ratio of EBIT to Interest Expense, where Interest Expense means the interest costs incurred by the Borrower to the Lenders during the previous 12 months, calculated on a consolidated basis in accordance with GAAP. You will provide us with annual financial statements, prepared in accordance with accepted New Zealand Accounting Standards, upon request.
6. You will provide such information as we may reasonably require enabling us to carry out an annual internal assessment of your financial position to ensure that there has been no adverse change in your creditworthiness, in our discretion.
7. If, at any time, we determine that amounts outstanding to us (under this or any other facility) exceed 55% of the value of our security we may give notice to you requiring you, within 30 days, to prepay such amount and/or (at our absolute discretion) provide additional security acceptable to us to ensure that this ratio is no longer exceeded.
8. For all buildings that form part of our security, you are to maintain, where applicable, a current Building Warrant of Fitness and provide the same to us, on request.
9. You must maintain adequate insurance for all properties charged to ASB (including but not limited to Full Replacement Insurance, Loss of Rents Insurance for no less than 24 months, and Public Risk Insurance) and provide evidence of same to us upon request with ASB's interest noted. Insurance cover must include natural disaster cover. The excess for natural disaster must not be more than 5%.
10. A change in Manager without the prior written consent of the Facility Agent (acting on behalf of all Lenders) shall be an event of review.
11. A quarterly leasing update is to be provided for the property at 12 Harbour Ridge Drive, Auckland.
12. At each annual review, we will consider a 12-month extension to the term of the loan, so that the term remaining is re-set to three years. ASB is under no obligation to offer such an extension (which may include an increase or decrease in the margin) and you are not obliged to accept the offer.

ASB Bank Property Finance

ASB Bank North Wharf
PO Box 35
Shortland Street
Auckland 1010

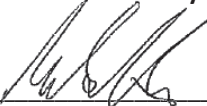
Attention: Paul van Druten,

CONFIRMATION TO PROCEED WITH FINANCE PROPOSAL

1. I/We instruct ASB Bank Limited ("ASB Bank") to proceed with preparation of Facility Agreements and all other documentation required to give effect to the Finance Proposal dated 7 March 2022.
2. I/We acknowledge our liability for all legal costs and other expenses, associated with the completion of ASB's requirements including ASB's own legal costs. I/We acknowledge that I am / we are liable for these costs whether or not the facilities proceed, (unless ASB in its absolute discretion agrees otherwise.)
3. I/We confirm that all information provided to ASB in connection with this Finance Proposal is true and accurate. No information has been omitted or withheld which would cause any information given to be misleading or incomplete in any material respect.
4. Privacy Act 1993.
 - (a) I/We confirm that our solicitors in this transaction are:
Firm: Russell McVeagh
Solicitor Acting: Bevan Peachey
Contact Details: +64 9 367 8187
 - (b) I/We agree that all of my/our personal information collected by ASB may be used by the ASB Group of Companies to advise me/us of other products and services; and
 - (c) I/We authorise the release to ASB at any time of all personal information held by;
 - (i) any credit reference agencies, any previous employers and/or other providers of credit regarding my/our previous employment and credit history (including a credit check and fraud check); and
 - (ii) any solicitor, accountant or other person authorised by me/us.
 - (d) I/We agree to ASB releasing at any times any personal information held by ASB to such other providers of credit, and credit reference agencies, and persons authorised by me/us.
 - (e) I/We authorise ASB to release or obtain information relating to this transaction to/from professional consultants and other secured parties which may include quantity surveyors, valuers, accountants, lawyers, mezzanine financiers or any other consultant that ASB reasonably considers necessary.
 - (f) I/We authorise ASB's credit reference agency to:
 - (i) hold my/our personal information on its systems and use my/our personal information to provide its credit reporting services; and
 - (ii) provide my/our personal information to its customers when they use its credit reporting services.
 - (g) I/We authorise ASB to use its credit reference agency in the future for purposes related to the provision of credit to me/us.
 - (h) I/We authorise:
 - (i) ASB to give its credit reference agency information about any default in my/our payment obligations to ASB; and
 - (ii) ASB's credit reference agency to give information about my/our default to its other customers.

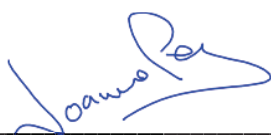
Dated this 21st day of March 2022

Executed on behalf of Oyster Industrial Properties Limited by:



Name: Mark Schiele

Each being duly authorised person/director



Name: Joanna Perry