

Management Agreement

PARTIES

Oyster Industrial Limited
Company

Oyster Management Limited
Manager

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AGREEMENT dated 6 September 2019

PARTIES

Oyster Industrial Limited

("Company")

Oyster Management Limited

("Manager")

INTRODUCTION

A. The Company has been established to:

(a) acquire, own and develop (where appropriate) the industrial properties, located at:

(i) 101 McLaughlins Road, Wiri; and

(ii) 12 Harbour Ridge Drive, Wiri,

("Initial Properties");

(b) grow an industrial portfolio of industrial properties through further property acquisitions; and

(c) provide returns to investors in the Company,

in each case, as further set out in, and subject to the terms of, the Product Disclosure Statement for the Offer of Shares, prepared by the Company and dated on or about the date of this Agreement.

B. The Company wishes to appoint the Manager as manager of the Company to provide the Company with ongoing investment management, property management, advisory and general administrative services on the terms detailed in this Agreement, and the Manager wishes to accept that appointment.

AGREEMENT

1. DEFINITIONS AND CONSTRUCTION

1.1 **Definitions:** In this Agreement, unless the context requires otherwise requires:

"**Agreement**" means this agreement and includes the schedules to this agreement, and any amendments made from time to time;

"**Associated Person**" has the meaning set out in section 12(1) of the Financial Markets Conduct Act 2013;

"Company" means Oyster Industrial Limited and, where the context requires, includes any future subsidiaries of the Company;

"Board" means the board of directors, for the time being, of the Company;

"Business Day" means any day on which registered banks are open for business in Auckland;

"Business Records" means all documents, agreements, accounting records, correspondence, software, systems, financial models and all other papers and records relating to the business, operations and affairs of the Company and the Properties (or one or more of them as the case may be);

"Capital Value" means the capital value of each Property which is the capital value as determined by an independent registered valuer in accordance with clause 17 of schedule 3.

"Claim" includes a claim, notice, demand, action, proceeding, litigation, investigation, judgment, award, damage, loss, cost, expense or liability however arising, whether present, unascertained, immediate, future or contingent, whether based in contract, tort (including negligence), equity, statute or otherwise;

"Commencement Date" means the date on which this Agreement becomes unconditional in terms of clause 2;

"Confidential Information" means all commercial, financial and technical information and know-how (whether in written, documentary or other recorded or tangible form) which is supplied to, communicated to, or derived by the Manager at any time relating to the Company's undertaking, activities, business environment or prospects and which at the time it is supplied to, communicated to or derived by the Manager is not publicly known or available by reason of general publication or public knowledge but does not include:

- (a) information which at the time it is supplied to, communicated to or derived by the Manager was already in the Manager's possession and was not acquired by the Manager in the course of or incidentally to the performance by the Manager of its duties under this Agreement;
- (b) information which has reached the public domain otherwise than as a result of a breach by the Manager, or any person for whom the Manager is responsible, of the Manager's obligations under clause 18; or
- (c) information which has been or subsequently is acquired or developed by the Manager without violating any of its obligations under clause 18 and without the use of any Confidential Information;

"Conflicts Policy" means the conflicts of interest policy of the Manager as may be amended from time to time;

"Constitution" means the constitution of the Company;

"CPI" means the Consumer Price Index for all groups published by Statistics New Zealand (or any successor organisation). If that index is fundamentally changed then CPI will mean a reasonably equivalent index as may be determined by the Manager;

"Delegated Authorities" means such authorities delegated by the Board to the Manager from time to time;

"Disengagement Services" means the services set out in Schedule 4;

"Emergency" has the meaning given to that term in clause 14;

"Fees" means the fees payable by the Company to the Manager as set out in Schedule 5;

"Financial Year" means the period from 1 April in one year to 31 March in the next year (provided that the first financial year shall be for the period from the Commencement Date to 31 March) or such other period as the Manager may elect;

"Fund Management Fee" means, for services provided by the Manager related to managing and administering the Company, in each Financial Year, a fee being the greater of an amount equivalent to the percentage of the aggregate Capital Value of the Properties (as set out in the table below) calculated and payable on the last day of each calendar month plus GST and the Minimum Fund Management Fee;

Financial Year Commencing	Fee
1 April 2019	0.25%
1 April 2020	0.30%
1 April 2021	0.35%
1 April 2022	0.40%
1 April 2023 and beyond	0.45%

"GAAP" means generally accepted accounting practice in New Zealand as defined in section 8 of the Financial Reporting Act 2013, including the New Zealand equivalents to International Financial Reporting Standards;

"Gross Rental" means the aggregate of rent (excluding GST) payable by all Tenants under all Tenancies (including any fee or rent payable in respect of carpark, naming rights or signage rights or any other rights granted to any Tenant) including outgoings or operating expenses payable by Tenants pursuant to Tenancies.

"GST" means goods and services tax charged under the GST Act;

"GST Act" means the Goods and Services Tax Act 1985;

"Leases" means any tenancy, lease, licence to occupy or other right of occupation in relation to the whole or any part of the Properties;

"Lessees" means any tenant, lessee, licensee or occupier under any Lease;

"Management Duties" means the duties imposed on the Manager and referred to in clause 5.1;

"Minimum Fund Management Fee" means \$94,000 per annum plus GST from 1 April 2020;

"Minimum Property Management Fee" means \$35,000 per annum plus GST (provided that, in relation to the first Financial Year, the Minimum Fund Management Fee payable shall be adjusted so it is an amount equivalent to the proportion that the first Financial Year bears to a full Financial Year);

“Offer” means an offer of Shares by the Company;

"Product Disclosure Statement" means the initial product disclosure statement for the offer of Shares, prepared by the Company, and dated on or about the date of this Agreement, as described in Background A;

"Properties" means:

- (a) 101 McLaughlins Road, Wiri;
- (b) 12 Harbour Ridge Drive, Wiri;
- (c) such other property that the Company will acquire from time to time;

and **Property** means any one of the Properties;

"Property Management Fee" means, for services provided by the Manager related to the management of the Properties, in each Financial Year, a fee being the greater of an amount equivalent to 2.0% of the Gross Rental payable under the Tenancies (or any replacement or additional tenancy arrangement) plus GST and the Minimum Property Management Fee (provided that, in relation to the first Financial Year, the Property Management Fee payable shall be adjusted so it is an amount equivalent to the proportion that the first Financial Year bears to a full Financial Year).

"Related Companies" has the meaning set out in section 2(3) of the Companies Act 1993 provided however, for the purposes of this Agreement, the reference in that section to "company" shall be deemed to include a reference to a body corporate, wherever incorporated, and **Related Company** means any one of the Related Companies. For the purposes of this definition, the fact that an entity is managed by the Manager does not make it a Related Company of the Manager;

"Related Party" means any manager of the Company or any investment manager, administration manager, or other person to whom the manager has contracted out some or all of its functions as a manager, or any Associated Person of such person;

"Share" means an ordinary share in the Company;

"Special Resolution" means a resolution approved by a majority of 75% of the votes of those holders of Shares entitled to vote and voting on the question;

"Tenants" means any person who is or becomes a tenant under a tenancy on the Properties;

"Tenancies" means, initially the leases in respect of the Properties between the Company (or its nominee) as landlord and the Tenants (as tenant) and, subsequently, any other tenancy, lease or licence entered into in respect of the occupation of the Properties or any part of it; and

"Termination Date" means the date that any termination of this Agreement takes effect in accordance with the terms of this Agreement, including following the expiry of any applicable notice period.

1.2 **Interpretation:** In this Agreement, unless the context otherwise requires:

- (a) headings are inserted for convenience only and shall be ignored in construing this Agreement;
- (b) the singular includes the plural and vice versa;
- (c) references to a person include an individual, body corporate, an association of persons (whether corporate or not), a trust and a state and agency of a state (in each case, whether or not having separate legal personality and whether incorporated or existing in New Zealand or elsewhere);
- (d) reference to any document includes reference to that document (and, where applicable, any of its provisions) as amended, novated, supplemented or replaced from time to time;
- (e) references to sections, clauses and schedules are references to sections, clauses and schedules in this Agreement unless otherwise stated;
- (f) references to monetary amounts, money or money's worth are to New Zealand dollars unless otherwise stated; and
- (g) reference to month or monthly shall mean, respectively, calendar month or calendar monthly.

2. CONDITION

2.1 This Agreement is conditional upon:

- (a) an issue of Shares being made by the Company under the terms of the Product Disclosure Statement; and
- (b) the acquisition and settlement of the Initial Properties by the Company, by 31 December 2019 or such other date agreed between the parties.

3. APPOINTMENT

3.1 **Appointment:** The Company appoints the Manager as the sole and exclusive manager of the Company in accordance with the terms and conditions of this Agreement.

3.2 **No other appointments by the Company:**

- (a) During the term of this Agreement, the Company will not itself provide nor appoint any other person to provide any of the services to be provided by the Manager under this Agreement.
- (b) For the avoidance of doubt, nothing in this Agreement restricts the ability of the Board or the Company to seek independent advice or appoint its own advisors from time to time.

3.3 **Acceptance:** The Manager accepts the appointment and agrees to carry out the duties on its part set out in this Agreement.

- 3.4 **Sub-contractors:** The Manager may act by and through any of its employees (including any employee of a Related Company of the Manager) or sub-contractors at its sole discretion. No such subcontracts will relieve the Manager from its responsibility to deliver and perform the duties under this Agreement. It will be the Manager's responsibility to ensure any subcontractors comply with the terms and conditions of this Agreement.

4. TERM

- 4.1 Subject to clause 8, the term of the appointment of the Manager is until the Company is wound up in accordance with the Constitution and the Companies Act 1993.

5. MANAGEMENT DUTIES

- 5.1 **Duties of Manager:** The Manager will perform and owes the following management duties to the Company:

- (a) investment management duties, as set out in Schedule 1;
- (b) property management duties, as set out in Schedule 2;
- (c) administration management duties, as set out in Schedule 3; and
- (d) such other duties as the Board may reasonably require from time to time.

- 5.2 **Discharge of Management Duties:** In the discharge of the Management Duties, and in performing its obligations, under this Agreement the Manager will perform the Management Duties and its obligations under this Agreement:

- (a) diligently, expeditiously, in good faith and to a high standard, acting at all times in the best interests of the Company;
- (b) with the degree of skill and due care expected of a professional property manager; and
- (c) in accordance and compliance with:
 - (i) all applicable legal requirements;
 - (ii) any regulatory provisions that apply to either the Manager or the Company;
 - (iii) the Conflicts Policy;
 - (iv) any rules or requirements of any self-regulatory organisation to which the Manager is affiliated; and
 - (v) the reasonable requirements and directions of the Board as advised from time to time.

- 5.3 **Records:** During the term of this Agreement, the Manager must at all times keep comprehensive and up to date records of all transactions entered into by the Manager on behalf of, or in relation to, the Company.
- 5.4 **Procedures:** During the term of this Agreement, the Manager must have and maintain procedures and standards, and terms and conditions of employment which require its officers and employees to conduct themselves in accordance with all applicable laws and regulations.
- 5.5 **Manager's warranties:** The Manager represents and warrants that:
- (a) it has the necessary expertise, experience and facilities required to properly carry out the duties and responsibilities specified in Schedules 1 to 3; and
 - (b) its obligations under this Agreement are valid and binding and enforceable in accordance with their terms against the Manager.
- 5.6 **Authority:** Subject to the Constitution and the Companies Act 1993, the Company grants the Manager full powers of management and authority over the affairs of the Company and the exclusive right to negotiate and enter into all contracts in relation to the Properties and the Company. In particular (but without limitation), the Manager will have full power to act in accordance with the Delegated Authorities in relation to the Company and the Properties.
- 5.7 **Shares held by Manager:** While any Share is held by the Manager or a Related Company of the Manager, those Shares shall:
- (a) be disregarded for the purposes of calculating a quorum in accordance with the Constitution for a meeting of shareholders; and
 - (b) be expressly prohibited from voting on any such resolution, in relation to any resolution to be passed pursuant to this agreement or in relation to the Company.

6. INSURANCE

- 6.1 **Manager to maintain insurance:** The Manager must effect and maintain appropriate professional indemnity insurance (taking account of the scope and nature of the Manager's Management Duties under this Agreement) with a minimum insured sum of \$10 million, in connection with the Management Duties to be carried out by the Manager covering all persons employed by the Manager in relation to the Management Duties.
- 6.2 **Terms of policies:** The policy of insurance referred to in clause 6.1 must be with an insurer and on terms acceptable to the Company.
- 6.3 **Inspection of policies:** The insurance policy to be taken out and maintained by the Manager under this clause 6 must be taken out and the premiums paid before the Manager commences the Management Duties and the Manager must provide evidence of the currency of the policies and payment of premiums whenever reasonably requested by the Company.

6.4 **Notification:** The Manager must promptly inform the Company of any event of which it has knowledge in respect of which the Company or any third party may be entitled to make a claim on an insurance policy.

7. DUTIES OF THE COMPANY

7.1 **Duties of the Company:** The Company shall:

- (a) **Access:** allow the Manager and the Manager's employees and permitted subcontractors and invitees access to the Properties to enable the Manager to perform its obligations under this Agreement;
- (b) **Payment:** pay the Manager the Fees in accordance with clause 11;
- (c) **Powers:** delegate to the Manager the powers, duties and discretions that the Board is competent at law to delegate to the Manager and may be necessary for the proper performance of the Manager's duties under this Agreement in accordance with the Delegated Authorities;
- (d) **Assistance:** provide any other reasonable assistance as may be necessary or desirable to allow the Manager to perform its obligations under this Agreement; and
- (e) **Responses by Board:** ensure that the Board acts in a prompt and decisive manner in responding to any recommendations or requests of the Manager.

7.2 **Company warranties:** The Company represents and warrants that its obligations under this Agreement are valid and binding and enforceable in accordance with their terms against the Company.

7.3 **Transactions with Related Parties:** The Company shall not enter into a transaction with a Related Party unless entry into that transaction has been approved by an ordinary resolution of the shareholders of the Company in accordance with, and subject to, the terms of the Constitution, provided that the Company may enter into the following transactions without shareholder approval:

- (a) any underwriting agreement with the Manager or any of its Related Companies provided the underwriting fee is no more than 3% of the underwritten amount;
- (b) any acquisition by the Company of any property owned by the Company's Related Parties, provided that the purchase price payable by the Company cannot exceed the amount determined by an independent valuer not more than four months prior to the date of the acquisition;
- (c) any sale by the Company of any property to the Company's Related Parties, provided that the sale price payable by the Company's Related Parties cannot be less than the amount determined by an independent valuer not more than four months prior to the date of the sale; or
- (d) any issue of Shares by the Company to any Related Party of the Company on the same terms as other Shares, and any transaction or arrangement in relation to

such Shares (including the payment of any dividends or other distributions made by the Company on such Shares).

Voting Restrictions: No vote, in favour of any shareholder resolution required pursuant to clause 7.3, shall be cast on any securities held by a person who is a party or beneficiary of a party to the transactions the subject of the resolution.

8. TERMINATION

8.1 **Immediate Termination by the Manager:** The Manager will be entitled to terminate this Agreement with immediate effect by notice in writing to the Company:

- (a) if the Company becomes insolvent, makes or attempts to make any composition, assignment, or other arrangement with, or for the benefit of, its creditors or any class thereof, goes, or is put into liquidation (other than a voluntary liquidation), has a receiver or manager appointed in respect of its assets or is wound up or dissolved; or
- (b) in the circumstances referred to in clause 13.

8.2 **Immediate Termination by the Company:** The Company will be entitled to terminate this Agreement with immediate effect by notice in writing to the Manager:

- (a) if the Manager becomes insolvent, makes or attempts to make any composition, assignment, or other arrangement with, or for the benefit of, its creditors or any class thereof, goes, or is put into liquidation (other than a voluntary liquidation), has a receiver or manager appointed in respect of its assets or is wound up or dissolved or the Company reasonably considers that any of these events is about to occur and notifies the Manager accordingly;
- (b) if the Manager has failed, neglected or refused to carry out or perform any material function or action required to be carried out or performed by the Manager pursuant to the terms of this Agreement ("**Non-Performance**"), and:
 - (i) the Company has given the Manager notice (including details) of its Non-Performance ("Notice");
 - (ii) the Manager has failed to cure a material breach of this Agreement arising from the Non-Performance set out in the Notice within 30 Business Days, or such longer period specified by the Company, of the Manager's receipt of the Notice; and
 - (iii) the termination has been approved by a Special Resolution of shareholders of the Company (excluding the Manager and any of its Related Companies) at a properly called quorate meeting of the Company; and
- (c) in the circumstances referred to in clause 13.

8.3 **Termination by the Manager on notice:** In addition to its termination rights contained in clause 8.1 the Manager may terminate this Agreement upon twelve months written notice to the Company.

8.4 **Termination by the Company on notice:** The Company may terminate this Agreement upon twelve months written notice to the Manager if the termination has, prior to the expiry of the notice period under this clause, been approved by a Special Resolution of shareholders of the Company (excluding the Manager and any of its Related Companies) at a properly called quorate meeting of the Company.

9. CONSEQUENCES OF TERMINATION

9.1 **General:** Any termination of this Agreement shall be without prejudice to the rights of either party against the other in respect of any antecedent breach of any of the provisions contained or implied in this Agreement.

9.2 **Manager's obligations:** Upon termination of this Agreement by either party, the Manager shall, providing all sums due and payable from the Company to the Manager under this Agreement have been paid in full:

- (a) deliver to the Company, within 30 Business Days of termination all Business Records; and
- (b) furnish all other information and take all such reasonable actions to effect an orderly termination of the Manager's duties hereunder.

9.3 **The Company's obligations:** Upon termination of this Agreement, the Company will:

- (a) assume any remaining obligations under any contract which the Manager has entered into provided such contract is authorised under the terms of this Agreement or has otherwise been approved by the Company;
- (b) remove any reference to "Oyster" or the name of the Manager's successors in its company name and the name of the companies in the Company;
- (c) indemnify and keep the Manager indemnified in respect of any further liability under any such contract, save for liability for breach of any such contract caused by the Manager's act or default prior to the date of termination of this Agreement.

In the event that any fees and costs due and payable to the Manager under this Agreement, remain unpaid at the date of termination of this Agreement as the result of a bona fide dispute, then the Company must, on termination, pay those monies to a solicitor appointed by agreement of the parties or failing such agreement to a solicitor appointed by the President for the time being of the New Zealand Law Society on the application of either party and that solicitor shall hold such monies on trust for the parties, pending settlement of the dispute.

9.4 **Payment obligations:** From the date of termination, no further Fees shall be payable to the Manager, save such Fees as are due and payable up to the date of such termination and any Fees paid for Disengagement Services under clause 10. Such Fees (excluding Fees for Disengagement Services) will be paid 7 Business Days after termination becomes effective.

10. DISENGAGEMENT SERVICES

- 10.1 **Disengagement services:** If requested by the Company in writing following the service of a termination notice under clause 8.3 or 8.4, the Manager will provide Disengagement Services to the Company to the same standards as those required for the provision of Management Duties for a period until the Company is satisfied (acting reasonably) that the Management Duties have been fully transitioned to the person to assume responsibility for those duties, providing that such period will not exceed six months following receipt of the Company's written request to perform such management duties (Disengagement Period).
- 10.2 **Management duties:** In addition to the Disengagement Services, during the Disengagement Period the Manager will continue to perform such Management Duties as are requested by the Company and the Company will continue to pay the Fees, costs and expenses for such Management Duties during the Disengagement Period. During the Disengagement Period this Agreement will remain in force and, if purportedly terminated earlier, will only terminate at the end of the Disengagement Period.

11. FEES

- 11.1 **Fees:** In consideration for the provision of services and the performance of the Manager of its obligations under this Agreement, the Company will pay to the Manager the Fees in Schedule 5.

12. COSTS

- 12.1 **Manager to bear own costs:** The Manager shall pay and discharge all costs, charges, expenses and liabilities associated or incurred by the Manager:
- (a) in connection with the day to day management, administration and operations of the Manager and the performance by the Manager of its obligations under this Agreement; and
 - (b) otherwise arising from the provision of services in accordance with this Agreement.
- 12.2 **Costs to be borne by the Company:**
- (a) The Company shall pay and discharge, and shall reimburse the Manager in respect of, all costs, charges, expenses and liabilities associated with, or incurred by or on behalf of the Company in connection with the Properties or the operation of the Company.
 - (b) For the avoidance of doubt, and without limiting the generality of clause 12.2(a), none of the fees or expenses set out in Schedule 5 shall be met by the Manager and each shall be met by the Company in accordance with clause 12.2(a).
- 12.3 **Disagreement on costs:** To the extent that any disagreement or uncertainty arises in relation to which party should bear certain costs, the matter will be determined by the Manager and the Company in good faith and otherwise in accordance with clause 20.

13. FORCE MAJEURE

13.1 **Force Majeure events:** Notwithstanding any other provision of this Agreement, non-performance by a party of any of its obligations under this Agreement including any failure, interruption or delay in fulfilling their duties under this Agreement, will be excused, without liability for non-performance, during the time and to the extent that performance is prevented, wholly or substantially, by "Force Majeure", meaning any event or circumstance beyond that party's reasonable control.

13.2 **Actions on the occurrence of Force Majeure:** The party claiming the benefit of this clause will:

- (a) as soon as that party becomes aware of the Force Majeure, promptly give written notice to the other party specifying the cause and extent of its inability to perform any of its obligations under this Agreement and the likely duration of such non-performance;
- (b) use its best endeavours to minimise the effects of the events referred to in this clause; and
- (c) resume any obligation affected by the Force Majeure as soon as reasonably possible after the termination or abatement of the Force Majeure.

13.3 **Termination on Force Majeure:** If circumstances of the type described in clause 13.1 above prevail for a continuous period of more than 60 Business Days:

- (a) the Manager shall be entitled to terminate this Agreement in accordance with clause 8.1(b); and
- (b) the Company shall be entitled to terminate this Agreement in accordance with clause 8.2(c),

with 6 months written notice to the other party of its intention to terminate.

14. BOARD MAY ACT IN EMERGENCY

14.1 Notwithstanding any other provision of this Agreement, in the event of any emergency where the safety of the Properties or their occupants or the supply of essential services is at risk or any other matter arises that requires the urgent attention of the Manager ("**Emergency**") and the Board reasonably considers that:

- (a) the Manager is not acting in a sufficiently prompt manner to respond to the Emergency;
- (b) the Manager is unavailable to respond to the Emergency at the relevant time; or
- (c) there is insufficient time for the Manager to act in response to the Emergency,

the Board may act in response to the Emergency in the manner it considers appropriate and the Company will not be in breach of its obligation not to provide any of the services itself, to be provided by the Manager under this Agreement or its appointment of the Manager as the sole and exclusive manager of the Company.

15. INDEMNITIES

15.1 Subject to clause 15.4, the Manager will indemnify and hold the Company and its directors indemnified from and against any losses, liabilities, costs, claims, demands and expenses whatsoever which are made against or incurred by the Company or its directors as a result of:

- (a) material unauthorised acts of the Manager, fraud, dishonesty, wilful default or wilful breach of the terms of this Agreement by the Manager; or
- (b) any claim made or threatened against the Company by any employee or subcontractor engaged, or formerly engaged, by the Manager in providing the Management Duties,

except to the extent that any such losses, liabilities, costs, claims, demands and expenses were caused directly or indirectly by an act or omission of any member of the Company (other than due to any default or failure of the Manager to comply with its obligations under this Agreement).

15.2 If any claims or demands are brought or threatened to be brought against the Company in respect of which indemnification may be sought from the Manager pursuant to this Agreement, the Company is to notify the Manager in writing as soon as practicable after the Company becomes aware of such matters, and will fully consult with the Manager on the steps to be taken, if any, in defending any such action, proceeding, claim or demand.

15.3 the Company will not admit liability in respect of all or part of, settle or compromise or consent to the entry of judgment in, or incur any costs in relation to, any pending or threatened action, proceedings, claims or demands brought or threatened against it in respect of which the Company is, or may be, entitled to indemnification pursuant to this indemnity, without first consulting with and discussing such action with the Manager or where it would be unreasonable to do so.

15.4 The Manager shall not incur any liability, or be responsible under any indemnity, to the Company in respect of:

- (a) any action taken or thing suffered by the Manager in reasonable reliance upon any notice, resolution, direction, consent, certificate, receipt, affidavit, statement, certificate of stock, plan of reorganisation or other paper or documents reasonably believed by the Manager (as the case may be) to be genuine and to have been passed or signed by the proper parties;
- (b) any failure to perform or do any act or thing which, by reason of any law or any decree, order or judgment of any competent court, the Manager is hindered, prevented or forbidden from so doing or performing;
- (c) any payments made by the Manager in good faith notwithstanding that it may be determined by any court or similar body that any such payment need not have been made;
- (d) any action taken or not taken by the Manager in accordance with a request or direction of the Board or any member of the Company;

- (e) any action taken or not taken by the Manager which, in the Manager's reasonable opinion, was necessary in response to an Emergency; or
 - (f) actions taken or not taken by the Manager on the opinion or advice of or a certificate obtained from any lawyer, accountant, surveyor, broker, auctioneer, banker or other expert in New Zealand or elsewhere in their field of expertise and the Manager shall not be responsible for any loss occasioned by so acting so long as the Manager has no reason to believe that the opinion or advice is not authentic and the Manager has not acted fraudulently, dishonestly, negligently, in wilful default or in wilful breach of the terms of this Agreement.
- 15.5 To the full extent permitted by law, the Company agrees that the Manager will not be liable for:
- (a) any loss in value of the Company or reduction in the Company's share price; or
 - (b) any reduction in the amount of the dividend paid by the Company,
- as a result of any matters outside the control of the Manager, unless such loss is a direct result of the Manager materially breaching its obligations under this Agreement.
- 15.6 In carrying out its obligations under this Agreement, the Manager acts as agent for the Company to the extent of authorities and powers conferred under this Agreement and the Company will indemnify and hold the Manager and its directors and employees indemnified from and against any losses, liabilities, costs, claims, demands and expenses whatsoever suffered which are made against or incurred by the Manager, its directors, employees or contractors that arise as a result of the Manager carrying out its obligations under and in accordance with the terms of this Agreement, other than in the case of unauthorised acts of the Manager, fraud, dishonesty, gross negligence, wilful default or wilful breach of the terms of this Agreement by the Manager, its directors, employees or contractors.
- 15.7 If any claims or demands are brought or threatened to be brought against the Manager in respect of which indemnification may be sought from the Company pursuant to this Agreement, the Manager is to notify the Company in writing as soon as practicable after the Manager becomes aware of such matters, and will fully consult with the Company on the steps to be taken, if any, in defending any such action, proceeding, claim or demand.
- 15.8 The Manager will not admit liability in respect of all or part of, settle or compromise or consent to the entry of judgment in, or incur any costs in relation to, any pending or threatened action, proceedings, claims or demands brought or threatened against it in respect of which the Manager is, or may be, entitled to indemnification pursuant to this indemnity, without first consulting with and discussing such action with the Company or where it would be unreasonable to do so.
- 15.9 Each party will take reasonable steps to mitigate any claim, liabilities, costs, expenses, losses or damage sustained or incurred as a result of any act or omission (including any breach or default) of the other party (regardless of whether or not covered by any indemnity).
- 16. INTELLECTUAL PROPERTY**
- 16.1 The Manager acknowledges and agrees that all intellectual property owned by the Company shall remain at all times the absolute property of that party.

16.2 The Company acknowledges and agrees that all intellectual property owned by the Manager or a Related Company of the Manager and any intellectual property developed by the Manager in the course of providing the Management Duties under this Agreement shall be the absolute property of the Manager.

17. CONFIDENTIALITY

17.1 The Manager must:

- (a) hold and keep confidential all Confidential Information;
- (b) not disclose or make available any Confidential Information in any manner detrimental to the Company or to any person except:
 - (i) to directors, officers, employees, agents and professional advisors of the Manager, whom are subject to equivalent or similar duties of confidentiality in respect of the Confidential Information to the Manager;
 - (ii) with the prior consent of the Company;
 - (iii) as is necessary in the course of complying with any applicable law or the rules of any relevant stock exchange.

17.2 The obligations created by this clause 17 shall remain in full force and effect after termination of this Agreement.

18. NOTICES

18.1 A notice required or permitted to be given by one party to another under this Agreement shall be in writing, addressed to the other party.

18.2 Any notice given to a party in accordance with clause 18.1 shall be treated as having been given and received:

- (a) if hand delivered, to a party's address, on the day of delivery if a Business Day, otherwise on the next following Business Day;
- (b) if sent by mail on a Business Day, on the third Business Day after posting correctly addressed and stamped otherwise on the second Business Day after posting; and
- (c) if transmitted by email to a party's designated email address and no automated notice of non-delivery is received, on the day of transmission if a Business Day, otherwise on the next following Business Day.

19. ASSIGNMENT

19.1 No party may assign the benefit of this Agreement without the other's prior written consent (such consent not to be unreasonably withheld or delayed).

20. DISPUTE RESOLUTION

- 20.1 If either party has any dispute with the other out of or in connection with this Agreement including any dispute as to its existence or validity (Dispute):
- (a) that party will promptly give full written particulars of the dispute to the other party; and
 - (b) the parties will promptly meet together and in good faith try and resolve the dispute.
- 20.2 If the dispute is not resolved within 20 Business Days of written particulars being given to (or any longer period agreed in writing by parties) the dispute shall be referred to the mediation of a single mediator. The referral to mediation shall be commenced by a party serving written notice on the other party stating the subject matter and details of the Dispute and requiring the Dispute to be referred to a mediator to be appointed by the parties. Failing agreement within 10 Business Days after, and exclusive of, the date of service of the written notice, the mediator shall be appointed at the request of a party by the chairperson or any other office holder for the time being of the New Zealand chapter of LEADR, or the nominee of such chairperson or such office holder. The guidelines which shall govern the mediation shall be set by the parties. Failing agreement within 10 Business Days after the appointment of the mediator, a party may request the mediator to set the guidelines (whether or not in conjunction with such party) which shall govern the mediation proceedings.
- 20.3 Subject to any right any party may have to apply to a court for any interim or preliminary relief in respect of the Dispute, completion or termination of the mediation shall be a condition precedent to the arbitration of the Dispute or any part of it.
- 20.4 If the parties are unable to resolve the Dispute by mediation the Dispute shall be referred to the arbitration of a single arbitrator. The arbitration shall be commenced by a party serving written notice on the other party stating the subject matter and details of the Dispute and requiring the Dispute to be referred to arbitration. The arbitrator shall be appointed by the parties, or failing agreement within 10 Business Days after, and exclusive of, the date of service of the written notice, shall be appointed at the request of a party by the president or vice president for the time being of the New Zealand Law Society or the nominee of such president or vice president. The arbitration shall be conducted as soon as possible at Auckland in accordance with the provisions of the Arbitration Act 1996 (excluding clauses 4 and 5 of the Second Schedule).
- 20.5 The award of the arbitrator shall be an award with reasons, which reasons shall form part of the award. The award of the arbitrator shall be final and binding on the parties and, to the extent that it is lawful to do so, the parties waive any right of appeal or review.
- 20.6 The parties shall bear their own costs and an equal share of the expenses of the mediation. The parties shall also bear their own costs and an equal share of the costs of the award in relation to any arbitration, unless the arbitrator determines that a party shall bear some proportion of, or all of, the costs of any other party.
- 20.7 The parties must continue to comply with their obligations under this Agreement during the dispute resolution process but disputed payments may be withheld to the extent of the dispute.

20.8 Nothing in this clause 20 shall limit the right of the Manager or the Company to terminate this Agreement in the circumstances set out in clause 8.

21. GENERAL

21.1 **No partnership:** Nothing in this Agreement or in the relationship between the parties shall be construed as, in any sense, creating a partnership or joint venture between the Company and the Manager or subjecting either party to the creditors of the other party.

21.2 **No conflict of interest:** For the avoidance of doubt, nothing in this agreement limits the Manager's ability to manage or participate in any other funds, syndications or other similar arrangements.

21.3 **No waiver:** Any delay, failure or forbearance by a party to exercise (in whole or in part) any right, power or remedy under, on in connection with, this Agreement shall not operate as a waiver of such right, power or remedy. No party will be deemed to have waived any right under this Agreement unless such waiver is in writing and signed by that party. The waiver of any breach shall not be, or be deemed to be, a waiver of any other or subsequent breach.

21.4 **Counterparts:** This Agreement may be signed in any number of counterparts which shall constitute one agreement binding the parties notwithstanding that the parties are not signatories to the original or same counterpart.

21.5 **Variations:** This Agreement may only be amended in writing signed by both parties.

21.6 **Further assurances:** Each party will take all steps, execute all documents and do everything as may be reasonably required by the other party to carry out and give effect to the terms and intentions of this Agreement according to its true intent.

21.7 **Severability:** If at any time any provision of this Agreement is held by a court of competent jurisdiction to be unreasonable, illegal, invalid or unenforceable for any reason whatsoever, that unreasonableness, illegality or unenforceability shall not affect the ability of the Company or the Manager to enforce any other provision of this Agreement and such provision shall be modified only to the extent necessary to give effect to the ruling of the court.

SIGNATURES

OYSTER INDUSTRIAL LIMITED by:

Signature of director

Joanna Perry

Name of director

OYSTER MANAGEMENT LIMITED by:

Signature of director

Mark Schiele

Name of director

SCHEDULE 1 INVESTMENT MANAGEMENT DUTIES

The Manager's investment management duties shall cover the following:

1. Maximise the value of the Company's shareholders' investment in the Company through acquisition, development and sale of the Properties, as approved by the Board;
2. Identify properties to be acquired by the Company to maximise the value of the Company;
3. Prepare individual development and divestment proposals in respect of the Properties for approval by the Board and make recommendations in respect of such proposals;
4. Project manage the development and divestment of Properties as approved by the Board;
5. Prepare finance proposals in respect of the Company's funding arrangements for approval by the Board and make recommendations in respect of such proposals;
6. Otherwise arrange, oversee and monitor the Company's funding and banking facilities and manage the financial affairs of the Company in line with the overall strategies as determined by the Board;
7. Manage relationships between the Company and all parties in accordance with the Board's direction with whom it is necessary to associate for all the ongoing activities of the Company including:
 - (a) lessees;
 - (b) real estate agents;
 - (c) registered valuers;
 - (d) quantity surveyors;
 - (e) property consultants;
 - (f) lawyers;
 - (g) accountants;
 - (h) public relations consultants;
 - (i) investors;
 - (j) insurance brokers;
 - (k) builders;
 - (l) architects;
 - (m) planners;
 - (n) engineers; and
 - (o) central and local government;
8. Attend meetings of the Company, the Board and its shareholders, whenever reasonably requested by the Company;
9. As required by the Board, provide its recommendation on the payment of dividends and distributions to shareholders.

SCHEDULE 2 PROPERTY MANAGEMENT DUTIES

Property Management Duties

The Manager's property management duties shall cover the following:

1. Where necessary arrange suitable tenancies for the Properties and ensure that all appropriate documentation in relation to these matters is properly prepared and completed;
2. Take all reasonable steps to ensure payment by the due date of all amounts due to, or by the Company (including, without limitation, all rates, fees, taxes (including income tax and GST payable by the Company to the Inland Revenue Department) and any Fees), subject to the Company having sufficient funds;
3. Ensure the collection of rents and other monies, payable to the Company by the various Lessees and licensees of the Properties whether payable in terms of a Lease, periodic tenancy or casual letting;
4. Enforce compliance by the Lessees with each and every term and condition of their Leases,
5. Enforce adherence by the Lessees to any building rules and regulations imposed by any statutory authority;
6. Initiate and negotiate rent reviews required under the terms of the Lease and where necessary, obtain rental valuations from registered valuers;
7. Process any sub-lettings and assignment of Leases to ensure that the parties meet all of their obligations;
8. Review Lessee's applications to alter any tenancy fitouts;
9. Ensure the Company's compliance with applicable laws relating to the Properties (including, but not limited to, laws relating to health and safety);
10. Regularly review any arrears of rent, fees, outgoings and other charges and take such reasonable actions as are necessary to recover such monies with the minimum of delay;
11. Ensure that any Leases, renewals of Leases, or variations of Leases are completed and documented;
12. Regularly inspect and report on the Properties;
13. Except where such obligations are imposed on Lessees, arrange all contracts required for the routine maintenance and service of the Properties;
14. Assess the need or desirability for any repairs to or maintenance of the Properties;
15. Supervise repairs and maintenance contracts to ensure the work carried out under the contracts is completed to the performance standards required;
16. In the event of any emergency when the safety of the Properties or their occupants; or the supply of essential services is at risk, take whatever measures are reasonably required in order to

eliminate the risk, without reference to the Company, providing that a full report is forwarded to the Company at the earliest opportunity following completion of such measures;

17. Notify the Company of any damage or circumstances likely to require expenditure on the Properties or any other matter or thing which may or is likely to endanger the Properties;
18. Prior to expiry or sooner determination of any Lease or licence prepare a schedule of dilapidations including a description of the maintenance, repairs and reinstatement works required to be carried out by the Lessee in its tenancy in accordance with the terms and conditions of the Lease or licence. The Manager shall serve the schedule of dilapidations on the Lessee and ensure that the Lessee complies with its obligations at its cost;
19. Regularly review security measures in the Properties and report on any additional measures required;
20. Obtain advice and assistance of appropriate consultants as deemed necessary in order to properly carry out the above duties and responsibilities;
21. Ensure compliance with all statutes, ordinances, regulations, by-laws or other lawful requirements imposed on the Company and affecting or relating to the Properties or the use or occupation of the Properties;
22. Review resource management notifications and reviews and report to the Company as to suggested steps to protect the Company's interests including the initiation of objection procedures;
23. Review any relevant schemes and district plans and any changes or proposed changes to those schemes and district plans;
24. Review government valuations and statutory assessments of the Properties and report to the Company on the appropriateness of such assessments. Where necessary the Manager will conduct negotiations with the relevant authorities and initiate objection procedures;
25. Receive all communications, complaints and representations from Lessees, local authorities and other bodies in connection with the Properties and Lessees and deal with the same as promptly as possible;
26. Effect and keep current during the term of this Agreement a comprehensive insurance cover in respect of the Properties including but not limited to earthquake and fire, public liability, and loss of profits and/or rents;
27. Monitor the Lessees as to any insurances required to be affected by them under the terms of the Leases and ensure that the premiums are paid;
28. Strive to meet, and where appropriate exceed, the requirements of relevant environmental legislation and government policies and initiatives regarding the environment; and
29. Strive for the best practicable options in environmental management, including adopting practices that will enhance efficient use of resources and social responsibility.

SCHEDULE 3 ADMINISTRATIVE MANAGEMENT DUTIES

Administrative Management Duties

The Manager's administrative management duties shall cover the following:

1. Ensure compliance by the Company with any relevant statutory enactment, regulation, by-law or notice;
2. Provide company secretarial services to the Company, including keeping and maintaining all statutory records for the Company, including the Company's share register and board materials;
3. Keep all usual business, tax and accounting records for the Company in a good and efficient manner according to generally accepted good business practice;
4. Establish an account or accounts to be kept in the name of the Company at the bank or banks that the Manager may decide and ensure that all money received on behalf of the Company is promptly paid into such accounts;
5. Ensure that all documents and information held by the Manager are made accessible to the Company on request;
6. Arrange to pay any dividends or distributions declared by the Board to the shareholders of the Company;
7. Ensure compliance with any securities given by the Company for borrowings and make payments of all amounts properly payable under such borrowings;
8. Attend to any correspondence required to be entered into by the Company in relation to matters relating to the discharge of the Manager's duties set out in this Agreement;
9. Prepare the budgets of the Company from time to time (and not less frequently than once per Financial Year) showing anticipated income and expenditure in relation to the Properties;
10. Arrange for the preparation of the annual financial statements of the Company and for those financial statements to be audited by the Company's auditors in a timely manner including the audit of the calculation of the Fees and other costs under this Agreement;
11. Prepare the annual reports of the Company for the Company's shareholders;
12. Arrange shareholder/Board meetings of the Company and give notices of any such meeting to all shareholders/Board members in accordance with the constitution of the Company;
13. Prepare or procure the preparation of:
 - (a) such reports and other information and material as the Board may reasonably require in connection with the annual and interim reports and audited annual accounts of the Company; and
 - (b) any other report as may be required from time to time by the Board. The Manager will promptly after request by the Board at any time provide the Company with any information the Board may require in respect of the Company's operations or the performance by the Manager of its duties and obligations under this Agreement.

14. Keep minutes of all proceedings of all shareholder meetings of the Company, meetings of the Board and meetings of any committees of the Board;
15. Prepare and file by due date all tax returns required to be filed by the Company under any applicable statutory enactment, regulation, by-law or notice;
16. On the liquidation of the Company and its subsidiaries prepare final accounts and tax returns and arrange for final distributions to be made to members of the Company and its subsidiaries (if any);
and
17. Arrange for annual valuations of the Properties by an independent registered valuer. The amount of such valuation will be the "Capital Value" for the purposes of this Agreement. The independent registered valuer will be appointed by the Manager and the costs of any valuation will be borne by the Company.

SCHEDULE 4 DISENGAGEMENT SERVICES

Disengagement Services

The Manager's disengagement services shall cover the following:

1. Transferring, relocating or (within the Board's prior written consent) disposing of equipment and tangible property owned by the Company from the Manager's sites to the locations designated by the Company;
2. Providing reasonable access to premises, staff and information relevant to the performance of Management Duties;
3. Assisting with the transfer of relevant contracts (including sub-contracts) relating exclusively or primarily to the provision of the Management Duties to the Company or to a third party designated by the Company as a successor manager;
4. Consultancy services required to assist with the seamless migration of the Management Duties to the Company or to a third party designated by the Company as a successor manager; and
5. Such other services as the Company may reasonably require to ensure an orderly and timely migration of the Management Duties from the Manager to the Company or to a third party designated by the Company as a successor manager.

SCHEDULE 5 FEES

1. PROPERTY MANAGEMENT FEE AND FUND MANAGEMENT FEE

- 1.1. The Manager shall be entitled to be paid by the Company the Property Management Fee and the Fund Management Fee.
- 1.2. The Property Management Fee and the Fund Management Fee, subject to any security given by the Company, will be a first charge against the funds derived from the Properties.
- 1.3. The Manager will be paid the Property Management Fee and the Fund Management Fee by monthly instalments in advance.
- 1.4. If this Agreement is terminated, then the Manager shall be paid all Fees due to the Manager up to the date the Agreement is terminated pursuant to clause 11 of this Agreement.

2. LEASING FEE

- 2.1. The Manager shall be entitled to be paid a leasing fee as follows:
 - (a) an administration fee of \$500.00 for each new tenancy or tenancy renewal;
 - (b) for tenancy renewals (including options to extend or renew) 1.5% of the annual Gross Rental (exclusive of GST) multiplied by the number of years of the renewed term;
 - (c) for a new tenancy of a Property, or part of a Property, to an existing tenant 2% of the annual Gross Rental (exclusive of GST) multiplied by the number of years of the term of the new tenancy;
 - (d) for a new tenancy (not being a tenancy to which sub-clause (c) above applies), 3% of the annual Gross Rental (exclusive of GST) multiplied by the number of years of the term of the new tenancy.
- 2.2. The rent on which the above charges are based shall be as if there had been no rebate, concession, rent holiday or other incentive.

3. RENT REVIEW FEE

- 3.1. The Manager shall be entitled to be paid a rent review fee, being 10% of the increase:
 - (a) in the annual rent (exclusive of GST); and
 - (b) in the rent or fee payable annually in relation to car parks, naming and signage rights (exclusive of GST),arising from such rent review.

- 3.2. In the event that a rent review proceeds to arbitration the fee payable to the Manager will reduce to 5% of the amounts referred to in sub-clauses 3.1(a) and (b) above. This fee applies to all forms of rent reviews, including fixed, market and CPI.

4. ADDITIONAL SERVICES FEE

- 4.1. The Manager shall be entitled to be paid additional services fees at a rate of \$175.00 per hour plus GST for additional services which are not contemplated by Schedules 1 to 4 of this Agreement as may from time to time be required in order to manage the Properties or the Company.

5. ACCOUNTING FEE

- 5.1. The Manager shall be entitled to be paid an annual accounting fee (as set out in the table below) if the Manager itself prepares the end of financial year accounts for Oyster Industrial and does not arrange for a third party to do so. This fee shall be paid annually on completion of the service.

Total Asset Value at End of Financial Year	Fee
up to \$50M	\$5,000
\$50M to \$100M	\$10,000
over \$100M	\$15,000

6. LEGAL AND PROJECT MANAGEMENT FEES

- 6.1. The Manager shall be entitled to be paid legal fees at such rate determined by the Manager acting reasonably, for legal services provided by the Manager's in-house legal team to the Company and project management services provided by the Manager's in-house project managers.

7. REFINANCING FEE

- 7.1. The Manager shall be entitled to be paid a refinancing fee which is payable:
- (a) at the expiry of any existing loan term if the existing loan is re-documented in relation to any subsequent or further loan term; or
 - (b) if the bank loan is refinanced to another bank; or
 - (c) if the existing bank loan amount is increased (in which case the fee is paid on the value of the increased amount),
- at 0.10% of the total loan facilities, plus GST.

8. GOVERNMENTAL LEVIES

- 8.1. In the case of any governmental levies or fees payable by the Manager as a result of it establishing or managing the Company (and other similar companies or schemes), the Manager shall be entitled to be paid a proportionate share of those levies or fees, shared with any other companies or schemes managed by the Manager (if applicable).

9. PERFORMANCE FEE

- 9.1. The Manager is entitled to be paid a Performance Fee to reflect the excess performance of the Shareholders' Returns over the Benchmark Return ("**Return Difference**"), of an amount equivalent to 20% of such excess performance amount. This fee is calculated and payable annually in arrears. Annual performance is calculated by calculating Shareholders' Returns and the Benchmark Return and making adjustments for any Return Loss from previous Financial Years.
- 9.2. The "**Shareholders' Returns**" are calculated by:
- (a) taking the Net Asset Value per Share on the last Business Day of the relevant financial year and subtracting from it the Net Asset Value on the last Business Day of the preceding financial year ("**Opening Net Asset Value per Share**"). The result is then divided by the Opening Net Asset Value per Share (for the previous year) to determine the capital performance in percentage terms (positive or negative) and adding to it the following;
 - (b) the aggregate Distributions (as defined in clause 9.6) paid per Share during the same year which is divided by the Opening Net Asset Value per Share to determine the income performance in percentage terms.
- 9.3. The "**Benchmark Return**" is the average 10-year Government Bond Rate plus 6% for the relevant financial year as described in clause 9.5.
- 9.4. The "**Return Loss**" is any negative value resulting from subtracting the Benchmark Return from the Shareholders' Return carried forward from previous Financial Years.
- 9.5. To calculate the Performance Fee the Benchmark Return and any Return Loss from previous Financial Years is subtracted from the Shareholders' Returns (as calculated in sub-clause 9.2) and if the value is a positive amount the result is multiplied by 20% of the average monthly Net Asset Value. If the result is a negative amount, no Performance Fee shall be paid.
- 9.6. "**Benchmark**" means:
- (a) The average 10-year Government Bond Rate plus 6%. This is calculated using the average of the 10-year Government Bond Rate at the end of each month plus 6%. The rates at each monthly close are listed on the Reserve Bank website at <http://www.rbnz.govt.nz/statistics/b2>. The Manager may specify an alternate source for the 10-year Government Bond Rate if this page ceases to be published by the Reserve Bank; or,
 - (a) If the 10-year Government Bond Rate ceases to be published or the Manager (with approval of the Company) reasonably determines that the 10-year Government Bond Rate is no longer appropriate, such other market interest rate as the

Manager (with the approval of the Company) reasonably determines is substantially equivalent.

9.7. “**Distribution**” means, in respect of any calendar month, the aggregate dividend per Share declared by the Company for, and relating to, that calendar month.

10. DEPOSIT FEE

10.1. The Manager shall be entitled to be paid a deposit fee at a rate of 10% per annum of the deposit payable in relation to the acquisition of a new Property as consideration for the Manager paying the deposit on the Property on behalf of the Company. On the settlement date of the relevant Property acquisition, the Company will pay the Manager the deposit fee and will also reimburse the Manager for the deposit paid.

11. ACQUISITION FEE

11.1. The Manager shall be entitled to be paid an acquisition fee of 1.75% (plus GST) of the purchase price of each newly acquired Property payable upon settlement of the Property.

12. SALE FEE

12.1. The Manager shall be entitled to be paid a sale fee of 1% (plus GST) of the sale price of each Property sold payable upon settlement of the relevant Property.

13. CHANGES TO FEES

13.1. The fees set out in clauses 4 to 6 above are subject to being increased by the Manager on an annual basis on 1 April in each year, such increase to be the same increase on a percentage basis as the increase in the CPI in the preceding 12 months.

14. TERMINATION FEE

14.1. If this Agreement is terminated by the Company in accordance with clause 8.4, the Manager shall be paid a termination fee of 30% of the aggregate of all fees paid to the Manager by the Company in the preceding 5 years before termination.

15. ESTABLISHMENT AND OFFER FEES

15.1. The Manager is entitled to be paid the following fees in relation to the establishment of the Company and for any future Offers of Shares:

(a) **Accountancy-internal:**

A fee of \$10,000 reflecting the time spent by the Manager's internal accountancy team on an Offer.

(b) **Brokerage fee:**

Fee payable to the Manager for arranging the sale of the Shares under an Offer, calculated at 2% of the total equity to be raised under the Offer.

(c) **Legal setup costs - internal:**

A fee of \$15,000 reflecting the time spent by the Manager's internal legal team on an Offer.

(d) **Underwrite Fee**

If the Manager, or a Related Company of the Manager, underwrites an Offer the Manager is entitled to a fee of 3% of the equity underwritten.