

BINDING HEADS OF AGREEMENT

Oyster Underwrite

Background

Oyster Industrial Properties Limited ("**OIPL**"), or its nominee, intends to enter into the following agreements ("**SPAs**"):

- with Domett Properties Limited, to acquire records of title CB569/70, CB35A/904 and CB572/14 together with improvements thereon at 67 Main North Road and 9, 15 Neeves Road, Kaiapoi ("**Heller Property**"), for a purchase price of approximately NZ\$40,500,000, subject to the terms of that SPA anticipated to settle on 29 April 2022; and
- with 100 Harris Nominees Limited to acquire record of title NA27D/1012 together with improvements thereon at 100 Harris Road, East Tamaki, Auckland ("**Harris Property**"), for a purchase price of approximately NZ\$43,300,000, subject to the terms of that SPA,

(the Heller Property and the Harris Property together, being the "**Properties**").

Oyster Industrial Limited ("**OIL**") intends to make an offer of ordinary shares ("**Offer**") in accordance with the Financial Markets Conduct Act 2013 to finance the equity component of the purchase price for the Properties. The total funding requirement for the acquisition of the Properties is \$89.32m of which \$48.9m will be raised as equity.

OIPL will obtain debt funding on market terms to fund the balance of the total purchase price of the Properties.

This Binding Heads of Agreement sets out the key commercial terms on which Alvarium Investments (NZ) Limited, or its nominee, ("**Underwriter**") will underwrite ("**Underwrite**") the acquisition of the Heller Property. The acquisition of the Harris Property is not being underwritten.

Key terms of Underwrite

KEY TERMS		
1.	Binding	The parties agree that this Binding Heads of Agreement is to be binding upon each of them, and supersedes, terminates and replaces the Binding Heads of Agreement signed by the parties on or about 23 December 2021.
2.	Underwritten Amount	<p>The Underwritten Amount to be made available by the Underwriter is NZ\$19,324,000.</p> <p>Amounts drawn down will be subscribed in the name of the Underwriter under the Offer for ordinary shares in OIL ("OIL Shares").</p>
3.	Use of Funds	The Drawdown Amount (as set out in clause 7 below) may only be used towards the purchase of the Heller Property.
4.	Offer / Timetable	<p>OIL will undertake the Offer for an amount expected to be \$48,900,000.</p> <p>The indicative timetable under the Offer is:</p>

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		<ul style="list-style-type: none"> - PDS registered and Offer opens – intended to be on or about 16 March 2022; - Drawdown Amount for the Heller Property (if any) calculated – expected to be on or about 26 April 2022; and - Settlement of purchase of the Heller Property – expected to be on or about 29 April 2022. <p>OIL will provide the Underwriter the opportunity to review the Offer documents prior to their registration to comment only on any aspect of those documents that refer to the Underwriter, such review to be completed and returned to OIL within two business days of the Underwriter receiving the Offer documents.</p> <p>OIL will keep the Underwriter regularly updated as to progress of the transaction.</p> <p>Any party may, at any time, require that formal documents ("Formal Documents") be drafted and entered into to reflect the terms agreed in this Binding Heads of Agreement and other terms which are usual for such agreements.</p>
5.	Formal Documents	The parties must use all reasonable endeavours to procure that any Formal Documents are entered into no later than 10 business days after any party requests that they be drafted.
6.	Underwriting Fee	3% of the Underwritten Amount (plus GST (if any)) payable on settlement of the Heller Property.
7.	Drawdown Amount	The Drawdown Amount (being the amount of the Underwritten Amount which the Underwriter is required to subscribe for OIL Shares under this Binding Heads of Agreement) is to be notified by OIL to the Underwriter no less than 3 business days prior to anticipated drawdown (eg if drawdown is on 29 April 2022 then the Drawdown Amount must be notified by 5pm on 26 April 2022).
8.	Drawdown Fee	1% of the Drawdown Amount, payable on settlement of the Heller Property in addition to the Underwriting Fee.
9.	Return on Underwritten Amount	<p>Base: Cash dividends, imputation credits or any other form of distribution will be payable on the OIL Shares in the same amount and at the same time as cash dividends, imputation credits or any other form of distribution are paid on the other shares in OIL.</p> <p>Penalty: The penalty return on the Drawdown Amount will be 9%p.a., payable by OIL to the Underwriter on any amount of the Drawdown Amount not repaid 5 months after the drawdown of that Drawdown Amount, calculated daily and paid monthly in arrears. For the sake of clarity the penalty return is payable in addition to any returns payable to the Underwriter as a holder of OIL Shares.</p>
10.	Guarantee	Oyster Property Group Limited (" OPGL ") guarantees the payment of any penalty return amount due to the Underwriter from OIL under clause 9 of this Binding Heads of Agreement.

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11.	Warranty	Wyborn Capital Properties Limited (" Wyborn ") has a right of first refusal to underwrite the Offer. OIL warrants to the Underwriter (on a full indemnity basis) that Wyborn has declined that first right.
12.	OIO	<p>The Underwriter shall have no obligation to subscribe for any OIL Shares to the extent such subscription would result in a breach of the Overseas Investment Act 2005 ("OIA"), as amended.</p> <p>To the extent the OIA prevents any amount of the Drawdown Amount from being subscribed for OIL Shares, OIL and the Underwriter will work together to determine whether such amount may be subscribed for alternative securities (such as redeemable preference shares issued by OIPL) in compliance with the OIA and, should each of the Underwriter and OIL agree an alternative:</p> <ul style="list-style-type: none"> a) the Underwriter will subscribe for such securities, in order that the acquisition of the Heller Property may settle; and b) notwithstanding clause 15 below, OIL (or OIPL, as the case may be) will apply any proceeds from the subsequent issue of OIL Shares first in repurchase / redemption of such alternative securities and then in the order set out in clause 15 below.
13.	Prohibition on other Underwrites	OIL shall not (nor shall any of its affiliates) enter into any other underwrite in respect of the Offer without the prior written approval of the Underwriter, provided that this clause shall not apply to the Oyster Underwrite or in the event the Underwriter terminates its obligations under this Binding Heads of Agreement.
14.	Conditions	Except for the rights and obligations set out in clauses 11,12, 13 and 18 of this Binding Heads of Agreement (which will become binding from signing), all other rights and obligations of each party in respect of the Heller Property under this Binding Heads of Agreement are conditional on the SPA in respect of the Heller Property being, or becoming, unconditional.
15.	Underwrite	<p>Should any amount of the Underwritten Amount be drawn down, OIL agrees to use its usual endeavours to continue to issue OIL Shares and to procure that the proceeds of the subscription for any OIL Shares received from third party investors under the Offer will be applied in the following order:</p> <ul style="list-style-type: none"> a) first, by settling the SPA in respect of the Heller Property; b) following settlement of the SPA, by selling down to third party investors any OIL Shares issued to the Underwriter until the total Drawdown Amount, any returns payable (including for any broken period up to the transfer to a third party) but unpaid on the OIL Shares, any interest on the Drawdown Amount, and any fees outstanding to the Underwriter have been paid or repaid in full; and c) once all amounts outstanding to the Underwriter have been paid or repaid in full, applied to the purchase of the Harris Property. <p>Oyster Management Limited ("OML"), or a related entity, will also underwrite a proportion of the purchase price of the Properties, being up to an amount of NZ\$6,720,000 ("Oyster Underwrite") which must be drawn down before the Underwrite.</p> <p>Each of OML and OIL acknowledges and agrees that the Oyster Underwrite will not be repaid until the OIL Shares have all been sold and no OIL Shares subscribed for pursuant to this Binding Heads of Agreement are held by the</p>

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		Underwriter, and all amounts outstanding paid or repaid pursuant to this Underwrite in respect of the Harris Property.
16.	Underwrite termination events	<p>The Underwriter can terminate its obligations under this Binding Heads of Agreement, immediately by notice to OIL if:</p> <ul style="list-style-type: none"> - the Financial Markets Authority issues a stop order in relation to the Offer or commences any investigation or other regulatory action into OIL; - an insolvency event (liquidation, receivership or equivalent event) occurs in respect of OIL, OML or OPGL or any of their related or associated parties, provided such insolvency event is not triggered by the Underwriter; - the warranty contained in clause 11 is not or ceases to be true; - any circumstances arise that may result in the Underwriter having no obligation to subscribe for OIL Shares under clause 12; - any breach of the prohibition set out in clause 13.
17.	Prohibition on further offers	<p>Until the Underwriter is repaid in full pursuant to this Binding Heads of Agreement, including all fees and interest due, OIL shall not make an offer of securities, other than the Offer, without the prior written consent of the Underwriter (which consent may be withheld in the Underwriter's sole discretion).</p>
18.	General	<p>Assignment: No party to this Binding Heads of Agreement shall assign, transfer or otherwise dispose of any of its rights or interests in, or any of its obligations or liabilities under or in connection with this Binding Heads of Agreement, except with the prior consent of the other party, such consent not to be unreasonably withheld.</p> <p>Confidentiality: Each party shall keep confidential, and make no use or disclosure of:</p> <ul style="list-style-type: none"> a) the existence and contents of this Binding Heads of Agreement; or b) all information obtained from the other party or the other party's advisers in connection with this Binding Heads of Agreement (including during any due diligence investigations), <p>except if:</p> <ul style="list-style-type: none"> c) disclosure is required by law; or d) disclosure is necessary to obtain the benefits of, and fulfil obligations under, this Binding Heads of Agreement; or e) the information already is, or becomes, public knowledge other than as a result of a breach of paragraph (a) or (b) above by that party; or f) such disclosure is on a "need to know" basis to its officers, employees and/or professional advisers provided that the party disclosing the information will procure that any such person who receives the information complies with these confidentiality provisions as if such person was a party to this Binding Heads of Agreement.

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Counterparts: This Binding Heads of Agreement is deemed to be signed by a party if that party has signed, or has attached its signature(s) to, any of the following formats of this Binding Heads of Agreement:

- a) an original; or
- b) a PDF or email image copy,

and if each party has signed or attached its signature(s) to any such format and delivered it in any such format to the other parties, the executed formats shall together constitute a binding agreement between the parties.

Entire agreement: This Binding Heads of Agreement constitutes the entire agreement between the parties relating to the subject matter of this Binding Heads of Agreement and supersedes and cancels any previous agreement, understanding or arrangement, whether written or oral.

Governing law: This Binding Heads of Agreement is governed by the laws of New Zealand and the parties submit to the non-exclusive jurisdiction of the courts of New Zealand in respect of any dispute or proceeding arising out of this Binding Heads of Agreement.

Costs: Each party shall be responsible for, and shall bear, its own costs for the negotiation of, and entry into, this Binding Heads of Agreement.

DATED: 8 March 2022

SIGNED as an agreement:

ALVARIUM INVESTMENTS (NZ)
LIMITED by:




Signature of Director / ~~authorised person~~

Brett Gamble

Name of Director / ~~authorised person~~

OYSTER MANAGEMENT LIMITED by:



Signature of Director / ~~authorised person~~

Mark Schiele

Name of Director / ~~authorised person~~

OYSTER INDUSTRIAL LIMITED by:



Signature of Director / ~~authorised person~~

Mark Schiele

Name of Director / ~~authorised person~~

OYSTER PROPERTY GROUP LIMITED
by:



Signature of Director / ~~authorised person~~

Mark Schiele

Name of Director / ~~authorised person~~