

BoatCo R3500-2 Limited

Product Disclosure Statement

Offer of shares in BoatCo R3500-2 Limited

15 August 2017

Issued by BoatCo R3500-2 Limited

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on www.business.govt.nz/disclose. BoatCo R3500-2 Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.

1 Key information summary

What is this?

This is an offer of ordinary shares. Ordinary shares give you a stake in the ownership of BoatCo R3500-2 Limited. Each share gives you certain rights to use the Vessel as described in Section 5 'Terms of the Offer'.

If BoatCo R3500-2 Limited runs into financial difficulties and is wound up, you will be paid only after all creditors have been paid. You may lose some or all of your investment.

About BoatCo R3500-2 Limited

BoatCo R3500-2 Limited (**the Company, we, our, or us**) was formed to purchase a 2017 Rayglass 3500 Legend (the **Vessel**) from Ownaship Limited (**Ownaship**) and establish a boat-owning scheme (**Scheme**) under which the Shareholders have certain rights to use the Vessel. As such it is not intended to make any profit or return. The Company was incorporated on 7 July 2017 and has not commenced business as at the date of this PDS.

Purpose of this offer

The proceeds from this offer will be used by the Company in the first instance to pay the purchase price of the Vessel. In addition, diesel heater, additional drinks fridge, teak cockpit, dingy and safety equipment will be added to the Vessel by Ownaship prior to the completion of the purchase of the Vessel, and Ownaship will manage and be responsible for the day-to-day operation and maintenance of the Vessel, in return for Management Charges paid by the Company. The Management Charges will be funded by the use charges that the Shareholders will be required to pay to the Company annually for the use of the Vessel.

Key terms of the offer

Terms	Description
Description of securities	Ordinary shares (Shares) in the capital of BoatCo R3500-2 Limited.
Intended opening date of offer*	20 August 2017
Intended closing date of offer*	01 December 2017
Fixed price of Shares	\$99,700
Minimum number of Shares per investor	1 Share
Maximum number of Shares per investor	2 Shares

Terms	Description
Number of Shares on offer	6 Shares
Percentage of total Shares immediately after issue	100%
Management and Management Charge	<p>Ownaship will manage and be responsible for the day-to-day operation and maintenance of the Vessel, in return for a Management Charge paid by the Company. The Management Charge will be funded by the Use Charges that Shareholders will be required to pay to the Company annually for the use of the Vessel.</p> <p>The Management Charge for the period from 1 November 2017 to 31 March 2018 is \$34,083.33 including GST. This is a pro-rated fee based on the total fee for the first year of the Management Agreement being \$81,800 including GST (which includes the first year's Management Fee of \$27,800 and operating costs and expenses of \$54,000).</p>
Use Charge	<p>In addition to the Share price, each Shareholder will be required to pay the Company an annual use charge (Use Charge) for the use of the Vessel. The Use Charge funds the Management Charge that the Company is required to pay Ownaship (see below in this table and in section 2.15 to 2.16 of this PDS for further detail on the Management Charge).</p> <p>The initial, pro-rated Use Charge for the period from 1 November 2017 to 31 March 2018 is \$5,680.55. The Use Charge for the year ended 31 March 2019 is \$13,633.33. No GST is charged on the Use Charge as the Company is not GST registered.</p> <p>This Use Charge is set at 16.67% (rounded) of the total Management Charge for each Share you hold.</p> <p>You may also be required to pay an additional charge for any additional Use Charge charged to the Company by Ownaship (Additional Use Charge). The Additional Use Charge will be set at the proportion of your respective holding of Shares. For example, if you have two of the 6 Shares then your Additional Use Charge will be equal to 33.33% (rounded) of any additional use charge charged to the Company.</p>

*The above dates are indicative only and may change. The Company reserves the right to alter or extend these dates. The Company may also withdraw the offer at any time before the allocation of Shares.

How you can get your money out

BoatCo R3500-2 Limited does not intend to quote these Shares on a market licensed in New Zealand and there is no other established market for trading them. This means you may not be able to sell your Shares.

You can sell, assign, transfer, convey or otherwise dispose of all of your Shares by issuing a transfer notice to Ownaship, and satisfying the conditions of transfer (set out in the Shareholders' Agreement). The terms of the transfer notice appoint Ownaship to act as your agent for the purpose of effecting the transfer. Ownaship will endeavour to find a purchaser for your Shares. Once a purchaser is found Ownaship will, at your direction either enter into the sale of the Shares as your agent, or allow you to withdraw the transfer notice and sell the Shares privately.

Key drivers of returns

The Company was incorporated to establish and operate a boat owning scheme in relation to the Vessel under which Shareholders have usage rights in respect of the Vessel. As a result, the Company is not intended to make any profit or return, and accordingly you should not expect any positive return on your investment.

Current and future aspects of the business that drive the Company's business that have or may have the most impact on the financial performance of the Company, and the key strategies and plans for the business are as follows:

- Vessel value – the Company's sole asset will be the Vessel. The Vessel may lose value over time depending on a number of factors. Further information relating to the Vessel value is set out in Section 2 'BoatCo R3500-2 Limited and what it does' and section 7 'Risks to BoatCo R3500-2 Limited's business and plans'.
- Vessel ownership and maintenance expenses – costs associated with owning the maintaining the Vessel will have an impact on the Company's business. The Company is liable to pay Management Charges and other additional costs associated with owning and managing the Vessel.

The key strategies and plans that the Company has to maximise the Vessel's value (which is likely to mean keeping the depreciated value as high as possible, rather than the Vessel appreciating in value), include ensuring the Vessel is well maintained, is reasonably secure, and that appropriate insurance cover has been taken out.

Key risks affecting this investment

Investments in shares are risky. You should consider if the degree of uncertainty about BoatCo R3500-2 Limited's future performance and returns is suitable for you. The price of these Shares should reflect the potential returns and the particular risks of these Shares. BoatCo R3500-2 Limited considers that the most significant risk factors that could affect the value of the Shares are:

- *Depreciation of Vessel* risk – as the Vessel is a depreciating asset, it is highly likely that the future market price of the Shares will be less than the price paid for them.
- *Key personnel* risk – if the sole director of both the Company and Ownaship ceases to be involved in the operation of the Company, Ownaship, or the Scheme, it could negatively impact on your returns from the Company.

- *Risk of inability to sell Shares* – you may be unable to sell your Shares and fail to recover your initial investment on a sale of your Shares.
- *Risk of loss of rights* – in the event of default by you (such events are set out in the Shareholders' Agreement, and include, but are not limited to, a failure to pay any amount due under the Shareholders' Agreement on the due date, or a breach by you of any provision of the Shareholders' Agreement or the Vessel Rules without rectification), your rights to use the Vessel will be suspended until the event of default is remedied or the Shares have been transferred.
- *Risk of additional Use Charges* – additional Use Charges may become payable as the Vessel becomes older and any warranty period applying to the Vessel ends.
- *Risk of inability of the Company to meet its obligations to Ownaship* – if a Shareholder or Shareholders default on their Use Charge payments, then the Company may not be able to meet its Management Charge payment obligations to Ownaship in a timely manner, or at all. In addition, if not all of the Shares offered under this Offer are issued, then the Company may not be able to meet its Management Charge payment obligations to Ownaship because it will receive less number of Use Charge payments than it would if all 6 Shares were issued.

These risks are particular to the Shares in BoatCo R3500-2 Limited because the Company was incorporated to establish and operate a boat owning scheme in relation to the Vessel under which the Shareholders have usage rights in respect of the Vessel. The Company is not intended to make any profit or return, and accordingly you should not expect any positive return on your investment.

This summary does not cover all of the risks of investing in the Shares. You should also read 'Section 7 Risks to BoatCo R3500-2 Limited's business and plans' and to other places in the PDS that describe the risk factors.

BoatCo R3500-2 Limited's financial information

The Company was incorporated on 7 July 2017 and has not yet commenced business operations. Accordingly, no financial statements for the Company have been prepared or registered under the Companies Act 1993 and the Financial Reporting Act 2013. The Company will purchase the Vessel from Ownaship. The Vessel is an asset and therefore there are no historical financial statements.

However, the Company has elected to include selected prospective financial information (accompanied by a summary of principal assumptions) in Section 7 'BoatCo R3500-2 Limited's financial information'. The Company's prospective financial information will be available on the Company's offer registry, at www.business.govt.nz/disclose.

Table of contents

1	Key information summary	2
2	BoatCo R3500-2 Limited and what it does	7
3	Purpose of the offer	11
4	Key dates and offer process	11
5	Terms of the offer	12
6	Key features of the Shares	15
7	BoatCo R3500-2 Limited's financial information	16
8	Risks to BoatCo R3500-2 Limited's business and plans	24
9	Tax	25
10	Where you can find more information	26
11	How to apply	26
12	Contact information	27

2 BoatCo R3500-2 Limited and what it does

Overview

2.1 The Company was incorporated on 7 July 2017 in order to establish and operate a boat-owning scheme in relation to the Vessel. It has not yet commenced trading and has no subsidiaries. The Company's principal activities will be owning the Vessel, establishing the Scheme, and paying management charges to Ownaship. It has entered into the following agreements:

- Sale Agreement
- Shareholders' Agreement
- Management Agreement,

each of which are available on the Company's offer register at www.business.govt.nz/disclose.

2.2 Ownaship has agreed to purchase the Vessel from a third party seller. Pursuant to an agreement for sale and purchase (**Sale Agreement**), the Company has agreed to purchase the Vessel from Ownaship. Ownaship is expected to take possession of the Vessel on 25 October 2017.

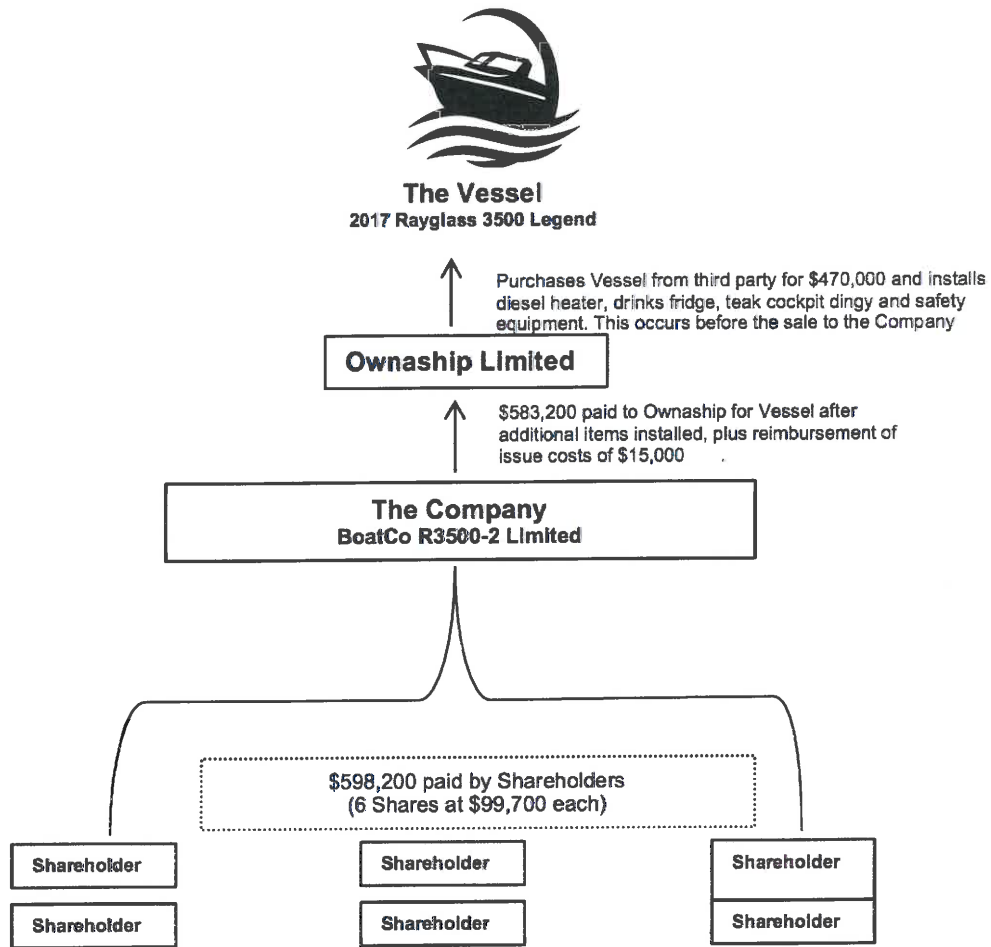
2.3 If there are unsold Shares on completion of the Sale Agreement the whole purchase price will not immediately be paid to Ownaship. Instead the proportion of the purchase price that corresponds to the proportion of Shares that have been sold pursuant to the Offer will be paid up on delivery of the Vessel to the Company. For example, if 4 shares have been sold when the Sale Agreement becomes unconditional, 66.66% of the purchase price will be paid on delivery. The balance will be paid as the unsold Shares are sold. In the event of unsold Shares, this will not increase, or otherwise impact on, the annual Use Charge payable by each Shareholder.

2.4 The price payable under the Sale Agreement (and consequently the issue price per Share) takes into account the diesel heater, additional drinks fridge, teak cockpit, dingy and safety equipment to be added to the Vessel by Ownaship prior to the Company completing the purchase, and reimbursement of the cost and time expended by Ownaship on the Company's behalf in establishing the Scheme (including legal fees, account fees, audit fees, and other costs associated with the offer).

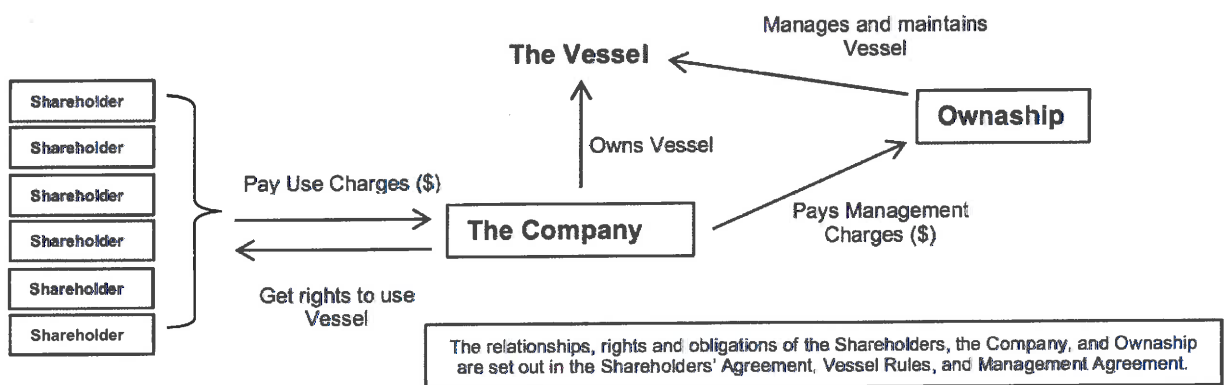
2.5 The usage rights attached to the Shares, details of the rules regarding the use of the Vessel, how the Scheme operates, management fees payable, and other obligations of Shareholders are set out in Section 5 'Terms of the offer'.

2.6 The Company and the Scheme are structured such that the Company should not derive any net profit during an income year..

A simplified version of how the Vessel will be purchased is as follows:



A simplified version of the Scheme's structure is as follows:



2.7 The main sector in which the Company will operate is boat ownership and ownership scheme operations.

2.8 The aspects of the Company's business that may have the most impact on the financial performance of the business are:

- *Vessel value* – the Company's sole asset will be the Vessel. The Vessel may lose value over time depending on a number of factors.
- *Vessel ownership and maintenance expenses* – costs associated with owning the maintaining the Vessel will have an impact on the Company's business. The Company is liable to pay Management Charges and other additional costs associated with owning and managing the Vessel.

2.9 The key strategies and plans for maintaining the value of the Vessel are:

- The provision of maintenance and other management services by Ownaship to ensure:
 - the Vessel is maintained in first-class working standard and conditions
 - the Vessel is berthed in a reasonably secure and convenient location; and
 - financially prudent insurance cover is taken out.

Directors, senior management and individual relevant parties

2.10 As at the date of this PDS, the Company's sole director is Simon James Gibson Barker of Auckland. The Company has no senior managers. Mr Barker is also the Managing Director of Ownaship. He joined Ownaship in February 2009 after 11 years in the banking industry. Prior to this he held a number of roles within the ANZ / National Bank and has considerable experience in performance management, strategy, and start-up businesses. Since joining Ownaship, Simon has been involved in establishing and maintaining eight boat-owning schemes similar to the Scheme in relation to boats ranging from 25 to 42 feet in length. Simon is also a director of a number of other companies involved in those boat-owning schemes.

Substantial shareholder and relevant interests held by the director

2.11 As at the date of this PDS, the following shareholder has a relevant interest in 5% or more of the shares in the Company:

Name	Number of Shares
Ownaship	1 (100% of ordinary shares)

Interests of director

2.12 The director of the Company is not entitled to remuneration or any other benefits from the Company. The Company has no employees and it does not intend to employ any persons.

- 2.13 As at the date of this PDS, Ownaship is also a party to the Shareholders' Agreement, as the Company's sole shareholder. Upon the offer proceeding the Company will buy back that share from Ownaship for \$1.00.
- 2.14 The Company has entered into a Sale Agreement dated 14 August 2017 with Ownaship, pursuant to which the Company has agreed to purchase the Vessel from Ownaship. The purchase price for the Vessel is \$583,200 including GST. The Company will also reimburse Ownaship for issue costs of 15,000 including GST. Ownaship has entered into a head agreement with a third party on 15 October 2016 pursuant to which Ownaship has agreed to purchase the Vessel for \$470,000 including GST. The sale and purchase agreement is available on the Company's offer register at www.business.govt.nz/disclose.
- 2.15 The Company and Ownaship have also entered into a Management Agreement dated 14 August 2017 pursuant to which the Company has appointed Ownaship as manager to manage and be responsible for the day to day operation and maintenance of the Vessel. The Company will pay Ownaship a Management Charge relating to each year on or prior to the first day of that year for the provision of the management services. The Management Charge is based on an estimate of the costs associated with the operation of the Vessel, expenses incurred by Ownaship, and a Management Fee agreed between the Company and Ownaship. The Management Charge for the period from 1 November 2017 to 31 March 2018 is \$34,083.33 including GST. This is a prorated fee based on the total fee for the first year of the Management Agreement being \$81,800 including GST (which includes the first year's Management Fee of \$27,800, and operating costs and expenses of \$54,000).
- 2.16 In the event that the Company approves additional expenditure, Ownaship may, in its discretion, either charge the Company for such additional expenditure, or add the additional expenditure to the Management Charge for the following year. Interest on late payments will be payable by the Company. The amount of remuneration paid by the Company to Ownaship is limited to the costs associated with the Vessel, the expenses incurred by Ownaship, and the amount of the Management Fee or additional expenditure agreed to by the Company (as applicable). However, there is no limit on the amount of interest that may accrue on unpaid amounts.
- 2.17 The director of the Company, as a director of Ownaship, receives an interest from the Sale Agreement and the Management Agreement, being the difference in the purchase price for the Vessel and the price paid by Ownaship for the Vessel under the head agreement, and the Management Charge.

Other material governance disclosures

- 2.18 Under the Shareholders' Agreement, during the term of the Management Agreement the Company's directors may only be appointed or removed by a special resolution of Shareholders. Otherwise, the Company's sole director has not been appointed, and the Company's directors may not be appointed or removed from, or otherwise vacate, office, in a manner that is materially different from that specified in sections 153 to 157(1)(a) to (d) of the Companies Act 1993.

- 2.19 The Company is governed by the Companies Act 1993 as it has not elected to adopt a constitution. There are certain rights and obligations that apply to Shareholders and the Company's director under that Act that can be exercised at any time.
- 2.20 There are no modifications, exceptions, or limitations on the powers of the board, except as provided in the Companies Act 1993, which in certain circumstances restricts the powers of directors. Such provisions are common to all companies registered under the Companies Act 1993.

3 Purpose of the offer

- 3.1 Ownaship has agreed to purchase the Vessel from a third party seller. Pursuant to the Sale Agreement, the Company has agreed to purchase the Vessel from Ownaship. Ownaship is expected to take possession of the Vessel on 25 October 2017. Ownaship will manage and be responsible for the day-to-day operation and maintenance of the Vessel, in return for Management Charges paid by the Company. The Management Charges will be funded by the Use Charges that each Shareholder will be required to pay to the Company annually for the use of the Vessel.
- 3.2 The intended use of the money raised under the offer is to:
- establish and operate the Scheme
 - pay the purchase price of the Vessel
 - add various items and safety equipment to the Vessel.
- 3.3 The intended use of the money raised under the offer is aligned to the strategies and plans of the Company, being to maintain the Vessel to a high standard and to manage the Scheme. As at the date of this PDS, the Company's director does not intend to apply the money raised under the offer to any purpose other than those referred to in paragraph 3.2 above, with the exception of any small items that may be required, or may enhance the use and operation of, the Vessel.
- 3.4 There is no minimum amount that must be raised before the Shares are issued.
- 3.5 The offer is not underwritten.

4 Key dates and offer process

Action	Intended date
Offer opens	20 August 2017 (or such later date as determined by the Company)
Offer closes	01 December 2017 (or such earlier date as determined by the Company)
Shares issued	From 1st October 2017, and at later dates if some Shares are unsold as at this date.

Action	Intended date
Intended possession date of Vessel by Company	1 November 2017

The above dates are indicative only and may change. The Company reserves the right to alter or extend these dates. The Company may also withdraw the offer at any time before the allocation of Shares.

The offer will remain open until the maximum amount of securities is earlier subscribed for (i.e. all 6 Shares are sold) or the offer is earlier closed by the Company's director. The director of the Company reserves the right to withdraw this PDS and decline any or all applications at any time. The Company will not pay any interest on subscription moneys paid by applicants that are rejected and subsequently refunded.

5 Terms of the offer

Term	Description
Shares	Ordinary shares in the capital of the Company
Fixed price of Shares	\$99,700 per Share. The price per Share has been determined by the purchase price of the Vessel paid to Ownaship, plus the cost of additional items installed on the Vessel (diesel heater, drinks fridge, teak cockpit, dingy and safety equipment) and reimbursement of the issue costs.
Maximum number of Shares on offer	6 Shares
Minimum parcel of Shares	1 Share
Vessel	2017 Rayglass 3500 Legend
Purchase price of Vessel	\$583,200 (not including issue costs)
Usage rights attached to Shares	<p>Subject to availability and the following terms (set out below), Shareholders are entitled to the use of the Vessel for a total of 57 Boat Days per year, and unlimited standby Boat Days per year per Share held, on the following terms:</p> <ul style="list-style-type: none"> ▪ the 57 Boat Days will be divided into 18 Peak Days use and 39 Off Peak Days use per year, spread evenly across the following three trimester periods: <ul style="list-style-type: none"> ▪ Spring into summer – 1 August to 30 November

Term	Description
	<ul style="list-style-type: none"> ▪ Summer into autumn – 1 December to 31 March ▪ Winter – 1 April to 31 July ▪ Shareholders are entitled to 13 Off Peak Days and 6 Peak Days in each trimester ▪ Vessel will be available for bookings from the date on which the Company takes possession of the Vessel, which is expected to be on 1 November 2017. <p>Further detail regarding the use of the Vessel is set out in the Shareholders' Agreement and the Vessel Rules, which are available on the Company's offer register at www.business.govt.nz/disclose. Ownaship may vary the Vessel Rules, including Shareholders' use entitlements at any time.</p>
Use Charge	<p>The Company's board determines an annual Use Charge payable by each Shareholder for the use of the Vessel. The Use Charge funds the Management Charge that the Company is required to pay Ownaship.</p> <p>The initial, pro-rated Use Charge for the period from 1 November 2017 to 31 March 2018 is \$5,680.55. No GST is charged on the Use Charge as the Company is not GST registered.</p> <p>This Use Charge is set at 16.67% (rounded) of the total Management Charge for each Share you hold.</p> <p>The Management Charge for the period from 1 November 2017 to 31 March 2018 is \$34,083.33 including GST. This is a pro-rated fee based on the total fee for the first year of the Management Agreement being \$81,800 including GST (which includes the first year's Management Fee of \$27,800 and operating costs and expenses of \$54,000).</p> <p>You may also be required to pay an Additional Use Charge for any additional Use Charge charged to the Company by Ownaship. The Additional Use Charge will be set at the proportion of your respective holding of Shares. For example, if you have two of the 6 Shares then your Additional Use Charge will be equal to 33.33% (rounded) of any additional use charge charged to the Company.</p>
Transferring Shares	<p>You may sell, assign, transfer, convey or otherwise dispose of all of your Shares by issuing a transfer notice to Ownaship, and satisfying the conditions of transfer set out in the Shareholders' Agreement.</p> <p>The terms of the transfer notice appoint Ownaship to act as your agent for the purpose of effecting the transfer. If you want to transfer your Shares to a third party, the conditions of transfer require the third party to:</p>

Term	Description
	<ul style="list-style-type: none"> ▪ deliver an executed copy of a deed of adherence (binding them to comply with the Shareholders' Agreement) to the Board, and ▪ satisfy the board that the third party is of good standing, financial substance, and reputation. <p>Ownaship will endeavour to find a purchaser for your Shares. Once a purchaser is found Ownaship will, at your direction either enter into the sale of the Shares as your agent, or allow you to withdraw the transfer notice and sell the Shares privately. If Ownaship acts as your agent in the sale, a fee of 7.5% plus GST of the transfer price of the Shares will be payable.</p> <p>A transfer fee of \$1,000 including GST will be payable to Ownaship in any case where a Share is to be transferred. Before a transfer can proceed you must also pay all amounts you owe the Company. You remain responsible for all payments due under the Shareholders' Agreement until the Shares are sold and transferred to the purchaser.</p>
Applications	<p>An application for Shares must be made on the Application Form attached to this PDS. The Company reserves the right to reject any application in whole or in part without giving any reason.</p>

The Shareholders' Agreement and the Management Agreement are available on the Company's offer register at www.business.govt.nz/disclose.

Shareholders' Agreement

5.1 Under the Shareholders' Agreement, each Share gives the Shareholder the right:

- to use the Vessel for a total of 57 days per year in accordance with and subject to the terms in the Shareholders' Agreement and Vessel Rules. Refer to the table above for further information about the Vessel use
- to vote at a general meeting of the Company, including the right to cast one vote per Share on a poll
- to approve by the exercise of a special resolution (as defined in the Companies Act 1993):
 - authorisation of the transfer of the Vessel;
 - authorisation of the termination of the Management Agreement by the Company;
 - the appointment or removal of a director of the Company during the term of the Management Agreement; and
 - the issue of any shares in the Company or securities that are convertible into or exchangeable for shares in the Company or the consolidation or subdivision of shares in the Company other than in connection with this offer

- to receive an equal share in any cash distributions or other distributions made on the Shares
- upon liquidation of the Company, as a Shareholder to share in the distribution of any surplus assets of the Company. If the Company does go into liquidation, your claim will rank equally with those of other Shareholders but behind the claims of any secured and unsecured creditors of the Company
- to be provided with certain Company information
- as a holder of shares conferred by the Companies Act 1993.

Management Agreement

5.2 By subscribing for Shares, investors agree to be bound by the terms of the Management Agreement. In summary, under the Management Agreement:

- the Company has appointed Ownaship to manage and be responsible for the day to day operation and maintenance of the Vessel;
- the Company authorises Ownaship to incur and account for expenditure on its behalf (subject to budgeted expenditure);
- for providing the management services, the Company will pay to Ownaship a Management Charge for each year;
- Ownaship has been appointed for an initial term of five years, with an automatic renewal for a further 12 months unless notice is given by one party of its intention not to renew the Management Agreement;
- the Company may terminate the Management Agreement in certain circumstances, including if Ownaship commits a material breach of the Management Agreement and does not remedy this within a certain timeframe; and
- Ownaship may terminate the Management Agreement in certain circumstances.

The Shares are impacted upon by the terms of the Shareholders' Agreement and the Management Agreement as these agreements impose conditions on the Shares, including for example, the requirement for the Company to pay Management Charges annually and certain expenditure, and the restrictions placed on the use of the Vessel by Shareholders.

6 Key features of the Shares

6.1 The key features of the Shares are contained in the Shareholders' Agreement and Management Agreement. A description of these key features is included in Section 5 of the PDS.

Dividend policy

6.2 As at the date this PDS, it is not the current intention of the board to pay dividends and, as the Company is not expected to earn any income, it is not expected that any dividends will be paid.

6.3 The director considers it is unlikely the policy will change in the future given the Company has been established to operate a boat owing scheme and is not intended to make any profit or return.

7 BoatCo R3500-2 Limited's financial information

Prospective financial information

7.1 This PDS contains prospective financial information, which is based on the Company's assessment of events and conditions existing at the date of this PDS. You should read the information in light of the assumptions that accompany the prospective financial information and the other information in this PDS, including the risks that are set out in Section 8 'Risks to BoatCo R3500-2 Limited's business and plans' of the PDS.

7.2 The Company was incorporated on 7 July 2017 and has not yet commenced business operations. The Company will purchase the Vessel from Ownaship (which is an asset), however there has been no business acquisition. Accordingly, no financial statements for the Company have been prepared or registered under the Companies Act 1993 and the Financial Reporting Act 2013.

7.3 The table below provides key prospective financial information about the Company on the basis that it purchases the Vessel by 1 November 2017.

Selected Financial Information As determined in accordance with GAAP

	5 months ending 31 March 2018	12 months ending 31 March 2019
Revenue	34,083	81,800
Net Profit before interest, tax, depreciation and amortisation (EBITDA)	0	0
Depreciation	(24,300)	(55,890)
Net Profit after tax	(24,300)	(55,890)
Dividends on all equity securities of the issuer	0	0
Total Assets	558,900	503,010
Cash and Cash Equivalents	0	0
Total Liabilities	0	0
Total Debt	0	0
Net Cash Flows from operating activities	0	0

	31 March 2018 (5 months)	31 March 2019 (12 months)
BoatCo R3500-2 Limited		
Prospective Statement of Cashflows		
For the periods ending		
Operating Activities		
Cash to be provided from Shareholder use charges	34,083	81,800
	<u>34,083</u>	<u>81,800</u>
Cash to be distributed to Management Fees to Ownship	(11,583)	(27,800)
Direct Operating Costs	(22,500)	(54,000)
	<u>(34,083)</u>	<u>(81,800)</u>
Net forecast cashflows from operating activities	-	-
Investment Activities		
Cash to be distributed to Purchase of 2017 Rayglass 3500	(583,200)	-
Net forecast cashflows from operating activities	<u>(583,200)</u>	<u>-</u>
	31 March 2018	31 March 2019
	(5 months)	(12 months)
Financing Activities		
Cash to be provided from Issue of ordinary shares	598,200	-
	<u>598,200</u>	<u>-</u>
Cash to be distributed to Payment of share issue costs	(15,000)	-
Net forecast cashflows from operating activities	<u>583,200</u>	<u>-</u>
Net Increase(Decrease) in cash held		
Cash and cash equivalents at beginning of period	-	-

Cash and cash equivalents at end of period

-

-

BoatCo R3500-2 Limited
Statement of Accounting Policies
For the 5 months ending 31 March 2018 and year ended 31 March 2019

Measurement Base

The accounting principles recognized as appropriate for the measurement and reporting of earnings and financial positions on a historical basis are followed by the Company and complies with Generally Accepted Accounting Practice in New Zealand

Specific accounting policies

I. Revenue recognition

Income shown in the Prospective Statement of Profit and Loss and Comprehensive Income comprises the amounts expected to be received by the Company in the ordinary course of business from shareholders and is accounted for on an accruals basis but it is assumed that all income is "paid" within the financial year.

II. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Depreciation is calculated at maximum rates allowed by the Inland Revenue Department at 10% on a diminishing value basis over the estimated useful life of the asset being 20 years.

III. GST

The financial statements have been prepared on a GST inclusive basis.

The financial statements above have been prepared in accordance with the requirements of Financial Reporting Standard No 42: Prospective Financial Statements.

The actual financial statements for the 5 month period ending 31 March 2018 and year ended 31 March 2019 are likely to vary from the Prospective Financial Statements. Such variations may be material.

Key Assumptions:

- It is assumed all 6 shares are sold prior to 31 March 2018
- Costs of \$15,000 will be incurred in relation to the issue of shares in the Company
- Boat is operational from 1 November 2017
- The prospective financial information is based upon the following assumptions:

Purchase of 2017 Rayglass 3500

The cost of the purchase of the 2017 Rayglass 3500 is based on the price agreed with Ownaship (with settlement occurring on 1 November 2017) being \$583,200 including GST.

	31 March 2018 (5 months)	31 March 2019 (12 months)
BoatCo R3500-2 Limited		
Prospective Statement of Profit or Loss		
For the periods ending		
Income		
Shareholder use charges	34,083	81,800
	<u>34,083</u>	<u>81,800</u>
Expenses		
Management Fees to Ownaship	(11,583)	(27,800)
Direct Operating Costs	(22,500)	(54,000)
Depreciation	(24,300)	(55,890)
	<u>(58,383)</u>	<u>(137,690)</u>
Net Total Comprehensive Income (Loss)	<u>(24,300)</u>	<u>(55,890)</u>

BoatCo R3500-2 Limited
Prospective Statement of Changes in Equity
For the periods ending

Opening Balance		558,900
Shareholder subscriptions for ordinary shares	598,200	
Payment of share issue costs	(15,000)	
Net Profit(Loss)	(24,300)	(55,890)
Closing Balance	<u>558,900</u>	<u>503,010</u>

	31 March 2018	31 March 2019
BoatCo R3500-2 Limited		
Prospective Statement of Financial Position		
As at		
Current Assets	-	-
Non-Current Assets		
Boat - Rayglass 3500	558,900	503,010

TOTAL ASSETS	558,900	503,010
Current Liabilities	-	-
Non-Current Liabilities	-	-
NET ASSETS	558,900	503,010
Equity		
Share Capital	598,200	598,200
Accumulative Deficit	(39,300)	(95,190)
TOTAL EQUITY	558,900	503,010

Shareholder Use Charges

Shareholder Use Charges are based on 6 charges of \$5,680.55 for the 5-month period ending 31 March 2018, and 6 charges of \$13,633.33 for the 12 months ended 31 March 2019.

Management fees to Ownaship Limited include the following:

To March 2018 a pro-rated annual allowance of \$11,583.33 for a management fee to Ownaship, such fee being fixed on a yearly basis in accordance with the Management Agreement between Ownaship and the Company.

To 31 March 2019 an annual allowance of \$27,800 for a management fee to Ownaship, such fee being fixed on a yearly basis in accordance with the Management Agreement between Ownaship and the Company.

Direct Operating Costs for the 5 months ended 31 March 2018 include the following:

- a. A pro-rated annual allowance of \$416.67 for legal and accounting fees, made on the assumption that Ownaship will undertake the day to day accounting work, with minimal end of year costs for statements of accounts and tax returns, and minor legal fees for the Company's transactions with new Shareholders. Major legal costs relating to the form and content of the various agreements involved have already been absorbed by Ownaship;
- b. A prorated annual allowance of \$3,750 for berth rental. Berthing of this Vessel will be in the marine facility at Westhaven, Auckland;
- c. A prorated allowance of \$2,083.33 for general marine insurance based on a quotation provided by an insurance broker, assuming a value of \$590,000 at a rate of 0.85% (rounded);
- d. A prorated annual allowance of \$3,750 for general maintenance. This includes \$208.33 for upkeep of the cabin and its furnishings, \$208.33 for repairs and maintenance of onboard electronics, \$2,083.33 for general touch-ups and maintenance of other equipment and \$1,250.01 for haul outs and anti-foul;
- e. A monthly allowance of \$666.66 for cleaning by a subcontractor;
- f. A pro-rated annual allowance for 2 scheduled engine and ancillary services per year at \$2,708.34 each, plus an allowance of \$2,916.67 for unscheduled breakdown and/or repairs. Recognition is given to the fact that the VW 260 TDI stern drive in this Vessel are new and under warranty for up to 1 year or 500 hours (whichever comes first);
- g. A pro-rated annual contingency reserve of \$833.33 being approximately 6.90% (rounded) of the expense allowances made within d and f above;

It is assumed that there are no "additional use charges".

Direct Operating Costs for the year ended 31 March 2019 include the following:

- a. An annual allowance of \$1,000 for legal and accounting fees, made on the assumption that Ownaship will undertake the day to day accounting work, with minimal end of year costs for statements of accounts and tax returns, and minor legal fees for the Company's transactions

with new Shareholders. Major legal costs relating to the form and content of the various agreements involved have already been absorbed by Ownaship;

- b. An annual allowance of \$9,000 for berth rental. Berthing of this Vessel will be in the marine facility at Westhaven, Auckland;
- c. An annual allowance of \$5,000 for general marine insurance based on a quotation provided by an insurance broker, assuming a value of \$550,000 at a rate of 0.85% (rounded);
- d. An annual allowance of \$9,000 for general maintenance. This includes \$500 for upkeep of the cabin and its furnishings, \$500 for repairs and maintenance of onboard electronics, \$5000 for general touch-ups and maintenance of other equipment and \$3,000 for haul outs and anti-foul;
- e. A monthly allowance of \$666.66 for cleaning by a subcontractor;
- f. A pro-rated annual allowance for 5 scheduled engine and ancillary services per year at \$2,600 each, plus an allowance of \$7,000 for unscheduled breakdown and/or repairs. Recognition is given to the fact that the VW 260 TDI stern drive in this Vessel are new and under warranty for up to 1 year or 500 hours (whichever comes first);
- g. A pro-rated annual contingency reserve of \$2,000 being approximately 6.90% (rounded) of the expense allowances made within d and f above;

It is assumed that there are no "additional use charges".

Due to the deferred settlement arrangement specified in paragraph 2.3 there is no minimum amount that, in the opinion of the director of the Company, must be raised by the Offer in order to provide the sums (or the balance of the sums, for any part to be met in any other manner) required to be provided in respect of each of the following matters:

- a. the purchase price of any property purchased or to be purchased in whole or part out of the proceeds of the Offer;
- b. any preliminary expenses payable by the Company, and any commission so payable to any person in consideration of his agreeing to subscribe for, or of his procuring or agreeing to procure subscriptions for any of the Shares;
- c. working capital;
- d. the repayment of any money borrowed by the Company in respect of any of the foregoing matters.

General Assumptions

The following general assumptions have been made in the preparation of the Prospective Financial Information:

- There will be no material change to the political, legal or regulatory environments in which the Company operates

- No key directors, personnel or service providers will leave and management resources will be sufficient for the Company's requirements
- There will be no material disruption to operations, including through natural disasters, fires or explosions
- There will be no material change in the general economic environments that the Company operates in
- There will be no material change in the industry structure, third party relationships or employee environments
- There will be no change in accounting standards which would have a material effect on the Company
- There will be no material changes to the material contracts and contractual obligations of the Company
- There will be no material change to the tax regime applying.

Variation of Actuals from Estimates

The Prospective Financial Information, including the assumptions on which they are based, are the responsibility of, and have been prepared by, the director. The director has given due care and attention the preparation of the Prospective Financial Information, including the underlying assumptions. These assumptions should be read in conjunction with the other information in the Prospectus (including, in particular, the information under the heading "Risks").

The Prospective Financial Information includes predictions of future events which cannot be assured. The predictions involve risks and uncertainties, which may be beyond the control of the Company. These risks and uncertainties include the non-occurrence of anticipated events or alternatively events occurring that were not anticipated. Various risk factors and the management of those risks may influence the Company's results. Accordingly, actual results are likely to vary from the Prospective Financial Information, and these variations may be materially more or less favorable to the Company.

Therefore, the director cannot and does not guarantee the achievement of the results predicted in the Prospective Financial Information.

The Prospective Financial Information was prepared and authorised by the director as at 26 June 2017 for use in this PDS and not for any other purpose.

Issue of ordinary Shares

The issue of ordinary Shares is based on 6 shares at \$99,700 each.

8 Risks to BoatCo R3500-2 Limited's business and plans

8.1 Set out below is a description of the circumstances that the Company or Ownaship are aware of that exist or are likely to arise that significantly increase the risk to the Company's financial position, financial performance, and plans of the Company, together with an assessment of the likelihood of the circumstances arising.

Risk	Assessment of risk
Depreciation of Vessel	As the Vessel will be the Company's sole asset, and it is a depreciating asset, it is highly likely that the future market price of the Shares will be less than the price paid for them. There is no mitigation strategy in relation to this risk, other than Ownaship being responsible under the Management Agreement for the ongoing maintenance of the Vessel, which may prevent premature depreciation of the Vessel.
Damage to Vessel	The Company will hold only one asset, the Vessel. The Vessel may suffer damage due to acts of nature or the actions of third parties. The Company will mitigate this risk by ensuring the Vessel is insured against such damage.
Key personnel risk	If the sole director of both the Company and Ownaship ceases to be involved in the operation of the Company, Ownaship or the Scheme, it could negatively impact on your returns from the Company.
Failure of Ownaship	If the Manager fails to perform its obligations in respect of the management of the Vessel, then there could be a negative impact on the value of the Vessel and your Shares. A mitigating factor which minimises this risk is that Ownaship has experience in the management structure and the operation of boat ownership schemes. In addition if the Manager is not performing, then under the Management Agreement, the Company can (in certain circumstances) terminate the Management Agreement and then could find a replacement manager.
No performance history of Company	The Company is newly incorporated, and accordingly has no history of operations. A mitigating factor which minimises this risk is that Ownaship has experience in the management structure and the operation of boat ownership schemes, and its director is also the director of the Company.
Loss of rights	In the event of a default by you (such events are set out in the Shareholders' Agreement, and include, but are not limited to, a failure to pay any amount due under the Shareholders' Agreement on the due date, or a breach by you of any provision

Risk	Assessment of risk
	of the Shareholders' Agreement or the Vessel Rules without rectification), you will be deemed to have issued a transfer notice for all your Shares and you will have your rights to use the Vessel suspended until the event of default is remedied or the Shares have been transferred.
Inability to sell Shares	You may be unable to sell your Shares or fail to recover your initial investment on a sale of your Shares.
Additional usage charges	Additional usage charges may become payable as the Vessel becomes older and any warranty period applying to the Vessel ends.
Company's inability to meet its commitments	<p>If a Shareholder or Shareholders default on their Use Charge payments, then the Company may not be able to meet its Management Charge payment obligations to Ownaship in a timely manner, or at all. In addition, if not all of the Shares offered under this Offer are issued, then the Company may not be able to meet its Management Charge payment obligations to Ownaship because it will receive less number of Use Charge payments than it would if all 6 Shares were issued.</p> <p>The Shareholders' Agreement gives the Board the power to sell a Shareholder's Share if that Shareholder defaults (and that default remains unremedied after 10 working days), as referred to above in the risk '<i>Loss of rights</i>'. This power reduces the likelihood that the Company will default on its obligations in the event of a Shareholder defaulting.</p>

9 Tax

9.1 Tax can have significant consequences for investments.

9.2 The Company's understanding of New Zealand tax law is that the market value of Shareholders' rights to use the Vessel must equal the amount that Shareholders pay, and the obligations that they assume under the Shareholders' Agreement and the Vessel Rules, in return for those rights. If the Inland Revenue Department decides that the market value of your rights to use the Vessel are worth more than the consideration you have given for those rights, then it may deem any difference to be a dividend and you will be required to pay tax on that difference, with a credit for any resident withholding tax paid by the Company on that dividend.

- 9.3 If you have queries relating to the tax consequences of investing in the Shares, you should seek professional advice on those consequences. Liability for personal taxation is your responsibility.

10 Where you can find more information

- 10.1 Further information relating to the Shares and the Company (for example the financial statements, once issued), is available on the Company's offer register at <http://www.business.govt.nz/disclose>. A copy of the information on the offer register is available on request from the Registrar of Financial Service Providers.
- 10.2 The above information is also available free of charge by emailing simon@ownaship.co.nz or by contacting us on 0800 696 7447 (0800 OWNSHIP).
- 10.3 Further information relating to BoatCo R3500-2 Limited is available on the public register at the Companies Office website at www.business.govt.nz/companies under the Company's register entry.

11 How to apply

- 11.1 You can subscribe for Shares by completing the Application Form attached to this PDS. The completed Application Form, accompanied by a cheque, should be forwarded to Ownaship. Cheques should be made payable to BoatCo R3500-2 Limited and crossed 'Not Transferable'.
- 11.1 The director of the Company may (but is not obliged to) in its sole discretion accept payment for Shares by instalments, provided that payment is made in full by no later than 1 October 2017. Application must be made for Shares having a minimum issue price of \$99,700 (which represents 1 Share). There is a maximum number of 2 Shares that can be applied for by any one subscriber.
- 11.2 The director of the Company reserves the right to withdraw this PDS and decline any or all applications at any time. The Company will not pay any interest on subscription moneys paid by applicants that are rejected and subsequently refunded.
- 11.3 Pending allotment, the subscription money paid to the Company will be held in an account on behalf of the subscribers. Interest will not be payable to subscribers.
- 11.4 The director has the right to refuse or limit any application at his discretion and shall not be bound to provide reasons or explanations of his decisions. The director is under no obligation to treat applicants equally or consistently.

12 Contact information

The Company

BoatCo R3500-2 Limited
29c Ngake Street
Orakei
Auckland
Telephone: (09) 360 2845
Email: simon@ownaship.co.nz

Securities Registrar

Ownaship Limited
29c Ngake Street
Orakei
Auckland
Telephone: 0800 OWNSHIP (0800 696 7447)
Email: simon@ownaship.co.nz

Glossary

Boat Day will commence at sunrise and finish at the earlier of 8.00pm or sunset on the same day.

Company means BoatCo R3500-2 Limited.

FMCA means the Financial Markets Conduct Act 2013.

Management Agreement means the management agreement between the Company and Ownaship dated 14 August 2017, under which the Company has appointed Ownaship as manager to manage and be responsible for the day to day operation and maintenance of the Vessel.

Management Charge the Management Fee plus operating costs and expenses payable by the Company to Ownaship each year, on or prior to the first day of that year.

Management Fee a management fee payable to Ownaship for Ownaship providing the management services each year, as agreed between the Company and Ownaship.

Off-peak Days are all days other than Peak Days.

Ownaship means Ownaship Limited, the manager of the Scheme.

PDS means this product disclosure statement dated 15 August 2017.

Peak Days are weekends, all New Zealand public holidays and any other day designated as a public holiday by Ownaship.

Sale Agreement means the sale and purchase agreement between the Company and Ownaship dated 14 August 2017, under which the Company has agreed to purchase the Vessel from Ownaship.

Scheme means the boat-owning scheme in relation to the Vessel.

Share means an ordinary share in the capital of the Company offered under the PDS.

Shareholder means a holder of Shares.

Shareholders' Agreement means the shareholders' agreement for the Company entered into by way of deed of adherence by each Shareholder, and which sets out how the decision making of the Company will be carried out, the procedure if you want to transfer Shares, termination, and the guarantee and indemnity that you must provide.

Use Charge means the annual use charge payable by each Shareholder to the Company for the use of the Vessel. The Use Charge funds the Management Charge.

Vessel means a 2017 Rayglass 3500 Legend.

Vessel Rules means the rules relating to the Vessel use by Shareholders, available on the Company's offer registry at www.business.govt.nz/disclose.

Application Instructions

How to invest

To ensure your application can be processed please:

- Complete all details in ballpoint pen.
- Use capital letters.
- If you make a mistake, simply draw a line through the mistake and write the correct details above. Do not use correction fluid.
- If there is not enough space, please use any available space in the margins.

Application Form

- Complete the Application Form included at the back of this Product Disclosure Statement.
- Joint applications must be signed by all investors.
- For companies, if there is only one company director, that director's signature must be witnessed.
- Applications by trusts must be signed by all trustees.
- If signed under a power of attorney, by signing the Application Form the attorney certifies that he/she has not received notice of revocation of that power of attorney.

Cheques

Make your cheque payable to 'BoatCo R3500-2 Limited' and cross it 'Not Transferable'.

Return form and cheque

Mail your Application Form, cheque and other documentation to Ownaship Limited at PO Box 133213, Eastridge, Auckland.

Investor identification

Under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, we are required to verify the identity and confirm certain details about our investors. To do this, we require verified copies of the documents listed below. Please ensure you attach the relevant documents to this Application Form before submitting.

Individual investors

Please provide one of the following:

- New Zealand passport
- New Zealand firearms licence

OR: one of the following:

- New Zealand birth certificate

- Certificate of New Zealand citizenship,

together with a New Zealand drivers licence

OR: a New Zealand drivers licence together with a document issued by a registered bank that contains your name and signature, for example a credit card, debit card or eftpos card.

You must **also** provide a major utility bill in your name from the last 3 months addressed to you at your residential address.

Company investors

Please provide all of the following:

- Certificate of incorporation of the company
- Trading name of the company (if different)
- Principal business address or registered office address, and a copy of a bank statement issued in the last 3 months to the company at the postal address given

AND for each director, beneficial owners* of the company, and anyone else acting on behalf of the company in respect of the investment in the Shares, the information set out under 'Individual investors', or if a shareholder or person acting on behalf is a company, the information set out under 'Company investors'.

Trusts

Please provide all of the following:

- Copy of the trust deed
- Copy of a bank statement issued in the last 3 months to the trust at the postal address given
- Source of funds or wealth of the trust
- In respect of each trustee, the beneficial owners* of the trust, and anyone acting on behalf of the trust, please provide in the case of individual trustees and anyone acting on behalf of the trust, the information set out under 'Individual investors', and, in the case of corporate trustees, the information set out under 'Company investors'.

For all verification documents:

Where you are providing copies of documents to us, the documents must be certified by a trusted referee. A trusted referee must not be your spouse or partner, related to you, or someone who lives at the same address as you. A trusted referee is any one of the following:

- Commonwealth representative
- Member of the Police
- Justice of the peace
- Registered medical doctor
- Kaumatua

- Registered teacher
- Minister of religion
- New Zealand lawyer
- Notary public
- New Zealand Honorary consul
- Member of Parliament
- Chartered accountant
- A person who has the legal authority to take statutory declarations or the equivalent in New Zealand.

The trusted referee must sight the original document, and provide a written statement to the effect that the copy is a true copy and represents the identity of the named individual. This statement must include the name and signature of the trusted referee and the date of certification (which must be in the last 3 months), as well as the referee's qualification to act as a trusted referee (for example, if they are a lawyer).

*A beneficial owner is an individual who has effective control of a customer or person on whose behalf a transaction is conducted, or who owns 25% or more of the customer or person on whose behalf a transaction is conducted. Examples are set out below:

- Beneficial owners of a company may include shareholders, senior management (eg CEO), and any other person with effective control (such as some directors).
- Beneficial owners of a trust may include a beneficiary of the trust, and any other individual who has effective control over the trust, specific trust property, or the power to amend the trust deed, or remove or appoint trustees or one or more beneficiaries of the trust.

Investing for another person under power of attorney

Identification of the person in whose name the investment is being made is as specified for individual investors above; in addition, copies of each of the following documents are required:

- Power of Attorney
- Certificate of Non-Revocation.

Investing on behalf of a minor

Identification of the person in whose name the investment is being made is as specified for individual investors above.

Personal information

By signing the Application Form you acknowledge that the personal information you have provided will be held and used by the Company for the purposes of administering your investment. Under the Privacy Act 1993, you have the right to request access to all personal information held about you and to ask that this is corrected if it is wrong.

BoatCo R3500-2 Limited - Application Form

For instructions on how to complete and deliver this Application Form, see the Application Instructions in the Product Disclosure Statement dated 15 August 2017.

Name details

We are signing on behalf of –

Individual/Immediate Family Group

Company

Trust

Applicant name(s) (full legal name (to which title is declared))

Mr/Mrs/Miss/Ms/Company Name/Trustee _____

Mr/Mrs/Miss/Ms/Company Name/Trustee _____

Mr/Mrs/Miss/Ms/Company Name/Trustee _____

Name of Trust (if applicable) _____

Address details

PO Box _____ Street & number _____

Suburb _____ City _____

State (if applicable) _____ Post code _____ Country _____

Email address _____ Fax no. _____ Phone no. _____

Investment details

Number of Shares applied for: _____ (NB: maximum of 2 Shares per investor)

Total subscription amount/cheque payable for \$ _____

Cheque payable to 'BoatCo R3500-2 Limited' and crossed 'Not Transferable'

Please post your cheque and completed Application Form to: Ownaship Limited, PO Box 133213, Eastridge, Auckland

Where we pay you

Cheque to Postal Address

or

Direct credit to bank account

Account Name _____

Account Number _____
Bank Branch Account Suffix

I/We irrevocably apply for the Shares shown above (or such lesser amount as the Board may allocated to me/us) on the terms and conditions set out in the Product Disclosure Statement dated 15 August 2017 and this Application Form.

I/We agree to be bound by the terms of issue of the Shares issued to me/us (if any) and the provisions of the constitution of the Company (if any), the Companies Act 1993, the Shareholders' Agreement, and the Vessel Rules (and any amendments thereto).

I/We agree to enter into the Shareholders' Agreement by way of deed of adherence.

Signature _____

Date _____

Signature _____

Date _____

Signature _____

Date _____

This Application Form must not be issued, circulated or distributed unless accompanied by the Product Disclosure Statement dated 15 August 2017.

Additional application terms

By signing this Application Form, each applicant acknowledges that:

1. The details shown on this Application Form are correct.
2. The applicant has received and read the Product Disclosure Statement dated 15 August 2017.
3. The application cannot be withdrawn or revoked by the applicant.
4. The Company reserves the right to reject any application in whole or in part without giving any reason.
5. Certificates for Shares will be despatched to successful applications as soon as practicable after allotment, but in any event no later than 10 working days after the allotment.
6. In the case of joint applicants, all notices, distributions etc will be sent to the address of the first named of the joint applicants.
7. Additional information about the Company and the boat-owning scheme is available on the Company's online register entry.

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

(Complete this if you are applying on behalf of someone for whom you hold a Power of Attorney)

I, _____
Name of Attorney Attorney's occupation _____

Of _____
Attorney's address

Hereby certify

THAT I am the attorney of _____ under and by virtue of
a Power of Attorney dated the _____ day of _____ given to me by
him/her/them.

THAT I have executed the application for subscription as attorney under that Power of Attorney and
pursuant to the powers thereby conferred upon me.

THAT at the date of this certificate I have not received any notice of revocation or suspension of that
Power of Attorney.

Signature of Attorney:

Signed at:

_____ on _____
Place Date