



Mr Mike Drummond  
Corporate Services  
Tasman District Council  
Private Bag 4  
Richmond 7050  
New Zealand

13 September 2018

Dear Mike,

As per our Letter of Engagement for Advisory Services dated 1 February 2017 in relation to the Waimea Community Dam, we make the following observations.

As requested I have sighted the signed Convertible Preference Shares - Term Sheet, dated 28 August 2018.

The parties to the Term Sheet are Waimea Irrigators Limited and a New Zealand Investment (or a nominee) Company.

The company is a known New Zealand Investment Company. The shareholders and directors of the company are New Zealand domiciled per the companies register.

Further commercial details, including investor identity are currently subject to confidentiality between the parties and their professional advisers as final due diligence occurs. This is standard practice.

In terms of the commercial arrangements, the Term Sheet I have sighted is consistent with the high level information provided to Council in John Palmer's position paper of 30 August. I understand the paper has been presented to Council. Specifically I refer to Mr Palmer's high level bullet points;

- the number of shares (2000)
- total subscription (\$11m to yield \$10.5m)
- an agreed coupon rate
- mandatory conversion at year 13
- availability to convert to water shares at any time
- incentive to convert from year 8

Kind Regards

A handwritten signature in blue ink, appearing to read 'Murray Harrington', written over a blue horizontal line.

Murray Harrington  
Partner Christchurch