

investore

Managed by Stride Investment
Management Limited

Indicative Terms Sheet

Investore Property Limited

Up to \$75,000,000 7 Year
Senior Secured Fixed Rate Bonds
(plus up to \$50,000,000 oversubscriptions)

Dated 17 August 2020

Arranger & Joint Lead Manager



Joint Lead Managers



FORSYTH BARR



JARDEN

Indicative Terms Sheet

Dated 17 August 2020

Senior Secured Fixed Rate Bonds due 31 August 2027

This indicative terms sheet (**Terms Sheet**) sets out the key terms of the offer by Investore Property Limited (**Investore**) of up to \$75,000,000 (with the ability to accept oversubscriptions of up to an additional \$50,000,000 at Investore's discretion), of 7 year senior secured fixed rate bonds maturing on 31 August 2027 (**Bonds**) under its bond master trust deed dated 2 March 2018 (as amended from time to time) (**Trust Deed**) as modified and supplemented by the supplemental deed dated 17 August 2020 entered into between Investore and Public Trust (**Supervisor**) (together with the Trust Deed, **Bond Trust Documents**).

Unless the context otherwise requires, capitalised terms used in this Terms Sheet have the same meaning given to them in the Bond Trust Documents.

Important notice

The offer of debt securities by Investore is made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA**).

The offer contained in this Terms Sheet is an offer of bonds that have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as Investore's \$100,000,000 senior secured fixed rate bonds maturing on 18 April 2024 (which have an interest rate of 4.40% p.a.), which are currently quoted on the NZX Debt Market under the ticker code IPL010 (**IPL010 Bonds**).

Accordingly, the Bonds offered will be the same class as the IPL010 Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014.

Investore is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (**NZX**) for the purpose of that information being made available to participants in the market and that information can be found by visiting www.nzx.com/companies/ipl.

The IPL010 Bonds are the only debt securities of Investore that are currently quoted in the same class as the Bonds.

Investors should look to the market price of the IPL010 Bonds referred to above to find out how the market assesses the returns and risk premium for those bonds. When comparing the yield of two debt securities, it is important to consider all relevant factors (including the credit rating (if any), maturity and the other terms of the relevant debt securities).

Indicative Terms Sheet (cont.)

Issuer	Investore Property Limited
Description	Senior secured fixed rate 7 year bonds
Opening Date	Monday, 17 August 2020
Closing Date	11.00am on Friday, 21 August 2020
Rate Set Date	Friday, 21 August 2020
Issue Date	Monday, 31 August 2020
Expected Quotation on NZX Debt Market	Tuesday, 1 September 2020
Maturity Date	Tuesday, 31 August 2027
Purpose	The net proceeds of the offer will be used to repay a portion of existing bank debt. The offer will also provide further diversification of funding sources and extend the tenor of Investore's debt
Offer Amount	Up to \$75,000,000 (with the ability to accept oversubscriptions of up to an additional \$50,000,000 at Investore's discretion)
Security	<p>The Bonds are secured by first ranking mortgages (the Mortgages) granted by Investore over its properties (the Mortgaged Properties) and by security interests over Investore's other assets under a general security deed (subject to limited exceptions) (the General Security Deed)</p> <p>The Security Trustee holds the Mortgages and the General Security Deed for all creditors entitled to their benefit, which currently includes (in addition to the Supervisor and the Bondholders) Investore's banking syndicate and its agent, on an equal ranking basis</p>
Financial Covenant	<p>Investore agrees to ensure that the total principal amount of all outstanding borrowed money secured by the Mortgages and the General Security Deed is not more than 65% of the total value of all Mortgaged Properties (including, in respect of any development, capital expenditure incurred during the development phase since the date of the most recent valuation) (the Loan to Value Ratio)</p> <p>A breach of the Loan to Value Ratio which is not remedied within (approximately) 13 months of that breach being disclosed to the Supervisor in a compliance certificate, will be an Event of Default. Refer to the Bond Trust Documents for more detail on the covenant</p>
Distribution Stopper	Investore is not permitted to make any distribution, such as declaring a dividend to Investore shareholders, if an Event of Default is continuing or if it would result in an Event of Default. Full details of the Events of Default are set out in the Bond Trust Documents

Indicative Terms Sheet (cont.)

No Credit Rating	The Bonds will not be rated
Issue Price	\$1.00 per Bond, being the Principal Amount of each Bond
Early Repayment	Holder's have no rights to require Investore to redeem the Bonds early except through the Supervisor in the case of an Event of Default. Investore does not have the right to redeem the Bonds early
Further Indebtedness	Investore may, without the consent of the Holders of the Bonds, issue additional securities or other debt obligations on such other terms and conditions as Investore may think fit
Interest Rate	The sum of the Swap Rate plus the Issue Margin (which may be above or below the Indicative Issue Margin), subject to a minimum Interest Rate of 2.40% per annum The Interest Rate will be announced by Investore via NZX on or about the Rate Set Date
Indicative Issue Margin	2.00% to 2.20% per annum
Issue Margin	The Issue Margin (which may be above or below the Indicative Issue Margin range mentioned above), will be determined by Investore (in consultation with the Joint Lead Managers) following a bookbuild process and announced by Investore via NZX on or about the Rate Set Date
Swap Rate	The mid-market rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Arranger in consultation with Investore, according to market convention, with reference to Bloomberg page 'ICNZ4' (or any successor page) on the Rate Set Date and expressed on a quarterly basis (rounded to 2 decimal places, if necessary, with 0.005 being rounded up)
Interest Payments	Quarterly in arrear in equal payments
Interest Payment Dates	28 February, 31 May, 31 August and 30 November each year (or if that day is not a Business Day, the next Business Day) until and including the Maturity Date. The first Interest Payment Date will be 30 November 2020
Record Date	5.00pm on the date that is 10 days before the relevant scheduled Interest Payment Date or, if that is not a Business Day, the immediately preceding Business Day
Business Days	Days on which the NZX is open for trading
Firm Brokerage	0.75% on firm allocations to be paid by Investore
ISIN	NZIPLDT002C1

Indicative Terms Sheet (cont.)

NZX Debt Market Quotation	<p>Application has been made to NZX for permission to quote the Bonds on the NZX Debt Market and all the requirements of NZX relating to that quotation that can be complied with on or before the distribution of this Terms Sheet have been duly complied with. However, NZX accepts no responsibility for any statement in this Terms Sheet. NZX is a licensed market operator, and the NZX Debt Market is a licensed market under the FMCA (NZX ticker code IPL020 has been reserved for the Bonds)</p>
Minimum Application Amount and Denominations	<p>\$5,000 and multiples of \$1,000 thereafter</p>
Transfer Restrictions	<p>Holders are entitled to sell or transfer their Bonds at any time subject to the terms of the Bond Trust Documents and applicable securities laws and regulations. Investore or the Securities Registrar may decline to accept or register a transfer of the Bonds for the reasons set out in the Bond Trust Documents</p> <p>No transfer may be made if the transfer would result in the transferee holding or continuing to hold Bonds with a Principal Amount of less than \$5,000 (other than zero) or not in multiples of \$1,000</p>
Governing Law	<p>New Zealand</p>
Who May Apply & How to Apply	<p>All of the Bonds, including oversubscriptions, will be reserved for clients of the Joint Lead Managers, institutional investors and other persons invited to participate in the bookbuild. There will be no public pool for the Bonds</p> <p>Investors should contact any Joint Lead Manager, their financial adviser or any Primary Market Participant for details on how they may acquire Bonds. You can find a Primary Market Participant by visiting https://www.nzx.com/services/market-participants/find-a-participant</p> <p>Whether in respect of oversubscriptions or generally, any allotment of Bonds will be at Investore's discretion, in consultation with the Joint Lead Managers. Investore reserves the right to refuse all or any part of an application without giving any reason</p> <p>Each investor's financial adviser will be able to advise them as to what arrangements will need to be put in place for the investors to trade the Bonds including obtaining a common shareholder number (CSN), an authorisation code (FIN) and opening an account with a Primary Market Participant, as well as the costs and timeframes for putting such arrangements in place</p>
Arranger	<p>Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch) (Westpac)</p>
Joint Lead Managers	<p>ANZ Bank New Zealand Limited, Forsyth Barr Limited, Jarden Limited and Westpac</p>
Supervisor	<p>Public Trust</p>

Indicative Terms Sheet (cont.)

Security Trustee	New Zealand Permanent Trustees Limited
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Securities Registrar	Computershare Investor Services Limited
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Selling Restrictions

Investore does not intend that the Bonds be offered for sale, and no action has been taken or will be taken to permit a public offering of Bonds, in any jurisdiction other than New Zealand. Bonds may only be offered for sale or sold in conformity with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered. This Terms Sheet may not be published, delivered or distributed in or from any country other than New Zealand

By subscribing for or otherwise acquiring any Bonds, you agree to indemnify, among others, Investore, the Supervisor and the Joint Lead Managers for any loss suffered as a result of any breach by you of the selling restrictions referred to in this Terms Sheet

The dates set out in this Terms Sheet are indicative only and are subject to change. Investore may, in its absolute discretion and without notice, vary the timetable (including by opening or closing the offer described in this Terms Sheet early, accepting late applications and extending the Closing Date). If the Closing Date is extended, subsequent dates may be extended accordingly. Investore reserves the right to cancel the offer described in this Terms Sheet and the issue of the Bonds, in which case all application monies received will be refunded (without interest) as soon as practicable.

Any internet site addresses provided in this Terms Sheet are for reference only and, except as expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Terms Sheet. Copies of the Bond Trust Documents are available on the website (managed by Investore) for the offer of the Bonds www.investoreproperty.co.nz/bondoffer. Investors should seek qualified, independent financial and taxation advice before deciding to invest. In particular, investors should consult their tax adviser in relation to their specific circumstances. Investors will be personally responsible for all tax return filing obligations in respect of their investment in the Bonds, compliance with the financial arrangements rules (if applicable) and payment of provisional or terminal tax (if required) on interest derived.

For further information regarding Investore, visit www.nzx.com/companies/ipl.

Investore has been designated as a “Non-Standard” (NS) issuer by NZX because Stride Investment Management Limited has the right to appoint two directors to the Investore Board. A copy of the waivers granted by NZX in respect of Investore can be found at www.nzx.com/companies/ipl.

Further waivers granted by NZX which relate to Investore can be found at www.nzx.com/companies/SPG.

Address Details

Issuer

Investore Property Limited

Level 12, 34 Shortland Street
Auckland 1010
investoreproperty.co.nz

Directors

Mike Allen – Independent Director (Chair)
Gráinne Troute – Independent Director
Adrian Walker – Independent Director
John Harvey – SIML Appointed Director
Tim Storey – SIML Appointed Director

Supervisor

Public Trust

Level 9, 34 Shortland Street
Auckland 1010

Security Trustee

New Zealand Permanent Trustees Limited

Level 9, 34 Shortland Street
Auckland 1010

Securities Registrar

Computershare Investor Services Limited

Level 2, 159 Hurstmere Road
Takapuna
Auckland 0622
09 488 8777

Legal Adviser

Bell Gully

Level 21, Vero Centre
Auckland 1010
Level 21, ANZ Centre
Wellington 6140

Arranger

Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch)

Westpac on Takutai Square
Level 8, 16 Takutai Square
Auckland 1010
0800 942 822

Joint Lead Managers

ANZ Bank New Zealand Limited

23-29 Albert Street
Auckland 1010
0800 269 476

Forsyth Barr Limited

Level 23, Lumley Centre
88 Shortland Street
Auckland 1010
0800 367 227

Jarden Limited

Level 32, PwC Tower
15 Customs Street West, Commercial Bay
Auckland 1010
0800 005 678

Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch)

Westpac on Takutai Square
Level 8, 16 Takutai Square
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0800 942 822

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