

investore

Managed by Stride Investment
Management Limited

Indicative Terms Sheet

Investore Property Limited

Up to \$75,000,000 Senior Secured Fixed Rate
Bonds (plus up to \$25,000,000 oversubscriptions)

Dated 5 March 2018

Joint Lead Managers



Deutsche**CRAIGS**

 **FORSYTH BARR**

Indicative terms sheet

**for an offer of up to \$75,000,000 senior secured, fixed rate
6 year bonds (plus up to \$25,000,000 oversubscriptions)**

This terms sheet should be read together with the Product Disclosure Statement (“PDS”) dated 5 March 2018 and the additional information contained on the Offer Register for the offer of senior secured, fixed rate 6 year bonds by Investore Property Limited, which is available at www.investoreproperty.co.nz/bondoffer and can also be obtained from the Joint Lead Managers or your usual financial adviser. Investors must obtain and read a copy of the PDS before they apply for Bonds.

Capitalised terms used but not defined in the Terms Sheet have the meaning given to them in the PDS.

Issuer	Investore Property Limited (“Investore” or the “Issuer”)
Instrument	Senior secured, fixed rate bonds (“Bonds”)
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 the General Security Deed (subject to limited exceptions)</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 PDS and the Trust Deed for more detail on the covenants</p>
Purpose	The net proceeds of the offer will be used to repay a portion of existing bank debt. The offer will also provide diversification of funding sources and extend the tenor of Investore’s debt
No Credit Rating	The Bonds will not be rated
Offer Amount	Up to \$75 million (with the ability to accept oversubscriptions of up to \$25 million at Investore’s discretion)
No Public Pool	All Bonds, including any oversubscriptions, have been reserved for subscription by clients of the Joint Lead Managers, NZX Firms and other approved financial intermediaries invited to participate in the bookbuild
Issue Price	\$1.00 per Bond, being the Principal Amount of each Bond

Interest Rate	<p>To be determined by Investore in conjunction with the Arranger following a bookbuild, and announced via NZX on or about the Rate Set Date</p> <p>The Interest Rate will be equal to the sum of the Swap Rate and the Issue Margin but in any case will be no less than the minimum Interest Rate announced by Investore via NZX on or about 12 March 2018</p>
Indicative Issue Margin	The Issuer expects to announce an indicative Issue Margin via NZX on or about 12 March 2018
Issue Margin	To be determined by Investore in conjunction with the Joint Lead Managers following a bookbuild, and announced via NZX on or about the Rate Set Date
Swap Rate	The mid-market swap rate for an interest rate swap from the Issue Date to the Maturity Date, as calculated by Investore in conjunction with the Arranger on the Rate Set Date
Interest Payment Dates	Quarterly in arrears on 18 January, 18 April, 18 July and 18 October each year (or if that scheduled day is not a Business Day, the next Business Day) until and including the Maturity Date, with the First Interest Payment Date being 18 July 2018
Early Bird Interest	Investore will pay interest calculated on a daily basis at the Interest Rate on application money, in respect of accepted applications, from (and including) the date that application money is received into the bank account for the offer to (but excluding) the Issue Date. Early bird interest will be paid (less any withholding tax required to be deducted) as soon as practicable and, in any event, within five Business Days of the Issue Date
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
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 Trust Deed
Brokerage	0.50% brokerage plus 0.50% on firm allocations paid by Investore
ISIN	NZIPLDT001C3
Quotation	<p>Application has been made to NZX Limited ("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 date of distribution of this Terms Sheet have been complied with. However, the Bonds have not yet been approved for trading and 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 Financial Markets Conduct Act 2013</p> <p>Ticker code IPL010 has been reserved for the Bonds</p>

Minimum Application Amount and Denominations	\$5,000 and multiples of \$1,000 thereafter
Governing Law	New Zealand
Arranger and Organising Participant	Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch) (" Westpac ")
Joint Lead Managers	ANZ Bank New Zealand Limited, Deutsche Craigs Limited, Forsyth Barr Limited and Westpac
Supervisor	Public Trust
Security Trustee	New Zealand Permanent Trustees Limited
Securities Registrar	Computershare Investor Services Limited
Selling Restrictions	<p>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</p> <p>The Bonds may only be offered for sale or sold in conformity with all applicable laws and regulations in any jurisdiction in which it is offered, sold or delivered. This Indicative Term Sheet may not be published, delivered or distributed in or from any country other than New Zealand</p> <p>By subscribing for or otherwise acquiring any Bonds, each Bondholder agrees to indemnify, among others, the Issuer, the Manager, the Supervisor and the Joint Lead Managers for any loss suffered as a result of any breach by the Bondholder of these selling restrictions</p>
Documentation	<p>The terms of the Bonds, and other terms key to the offer of the Bonds, are set out in:</p> <ul style="list-style-type: none"> • The Product Disclosure Statement dated 5 March 2018 for the offer of the Bonds; • The Master Trust Deed, as supplemented by the Series Supplement, each dated 2 March 2018 between Investore and the Supervisor ("Trust Deed"); and • The Security Trust Deed dated 9 June 2016 as amended and restated on 2 March 2018 made between (among others) Investore and New Zealand Permanent Trustees Limited <p>You should read these documents. Copies may be obtained from the Offer Register at www.companiesoffice.govt.nz/disclose (OFR12328). Bondholders are bound by, and are deemed to have notice of, the Trust Deed</p>

Important dates

Minimum Interest Rate and Indicative Issue Margin announced	Monday, 12 March 2018
Bookbuild Date	10:30am, Tuesday, 20 March 2018
Rate Set Date	Tuesday, 20 March 2018
Opening Date	Wednesday, 21 March 2018
Closing Date	5:00pm, Thursday, 12 April 2018
Issue Date	Wednesday, 18 April 2018
Expected Date of Initial Quotation	Thursday, 19 April 2018
First Interest Payment Date	Wednesday, 18 July 2018
Maturity Date	Thursday, 18 April 2024

The dates set out in this Terms Sheet are indicative only and subject to change. The Issuer may vary the timetable in its absolute discretion and without notice. Any such changes will not affect the validity of any applications received. The Issuer reserves the right to cancel the Bond offer, in which case all application monies received will be refunded (without interest) as soon as practicable and, in any event, within five Business Days of the cancellation.