

Other material information

**relating to the initial public
offering of ordinary shares
in Investore Property Limited**

Dated 10 June 2016

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Capitalised terms used but not defined in this document have the meaning given to those terms in Section 13 *Glossary* of the Product Disclosure Statement dated 10 June 2016 (the **PDS**) relating to the initial public offering of ordinary shares in Investore Property Limited (**Investore**).

1. Total estimated costs of offer and issue

The total estimated costs of the Offer and issue are approximately \$6.2 million. Of this:

- \$3.5 million is an estimate of the total amount to be paid by Investore to Goldman Sachs New Zealand Limited as sole bookrunner, arranger and lead manager fees (**Lead Manager**). The amounts to be paid to the Lead Manager will depend on a number of factors, including the amount raised under the Offer. From its fees, the Lead Manager will pay retail brokerage of 1.25% on applications bearing NZX Firms' stamps pursuant to a firm allocation under the Broker Firm Offer; and
- \$250,000 is an estimate of the total amount to be paid by Investore to PwC as fees in respect of its Investigating Accountant's Limited Assurance Report on Prospective Financial Information dated 10 June 2016, a copy of which is included on the Offer Register in the document entitled "*Investigating Accountant's Limited Assurance Report on Prospective Financial Information*".

2. Other terms of the Offer

2.1 Minimum investment

Applications under the Broker Firm Offer and the Stride Shareholder Offer must be for a minimum of NZ\$1,000, and in increments of NZ\$1,000 thereafter.

For more information, see the PDS and the Broker Firm Offer Application Form or the Stride Shareholder Offer Application Form as appropriate.

2.2 Minimum total amount to be raised

A minimum amount of \$150 million must be raised before the Offer Shares are issued or transferred. Investore may raise up to an additional \$35 million under the Offer to provide future acquisition funding capacity.

2.3 Key selling restrictions

Takeovers Code

Once the Shares are quoted on the NZX Main Board (expected to occur on 12 July 2016), Investore will be a "Code Company" under the Takeovers Code. The Takeovers Code prohibits, amongst other things, any person (together with their "associates" (as defined in the Takeovers Code)) from becoming the holder or controller of 20% or more of the voting rights in Investore other than in compliance with the requirements of the Takeovers Code. You should seek legal advice in relation to any act, omission or circumstance that may result in you breaching any provision of the Takeovers Code.

Overseas Investment Act 2005

Any person who is an (together with its associates) "overseas person" for the purposes of the Overseas Investment Act 2005 and who intends to acquire 25% or more of the Offer Shares (or make any other acquisition regulated by that Act) will be required to obtain any necessary consent under the Overseas Investment Act 2005.

2.4 NZX

NZX Waivers granted to Investore

NZX has advised Investore that Investore will be granted a waiver from NZX Listing Rules 3.3.5 to 3.3.15, to the extent that two Directors are permitted to be appointed by SIML as the manager of Investore (the Manager Appointed Directors) and that the Manager Appointed Directors would not be required to retire by rotation under Listing Rule 3.3.11. This waiver is subject to the conditions that: (a) the Chair of the Investore board (Board) have a casting vote on any Board resolutions; (b) if SIML exercises its right to appoint the Manager Appointed Directors, Stride not be permitted to vote any of its shares on the election or removal of the "Independent Directors" (as that term is defined in the Listing Rules); and (c) that this waiver be disclosed as a part of the Offer Register and in Investore's offer documents, half-year and annual reports.

Further, NZX has advised Investore that Investore will be granted a waiver from NZX Listing Rule 3.4.3, to permit the Manager Appointed Directors to vote in matters in which they are "interested" for the purposes of the Companies Act, due to their directorship of both Investore and SIML. This waiver is subject to the conditions that: (a) the Chair of the Board have a casting vote on any Board resolutions; (b) Manager Appointed Directors be identified in offer documents, half-year and annual reports; (c) that each Director certify to NZX Regulation that any Board resolution that they approve will be in the best interests of Investore; and (d) this waiver be disclosed as a part of the Offer Register and in Investore's offer documents, half-year and annual reports.

A copy of the NZX waivers are included on the Offer Register in the document entitled "*NZX Waivers - Investore Property Limited*".

2.5 FMA

Financial Markets Conduct (Investore Property Limited) Exemption Notice 2016

The Financial Markets Conduct Regulations 2014 (the **Regulations**) would usually require Investore to provide selected historical financial information in respect of the Antipodean Supermarkets Portfolio and the SCA Portfolio in the PDS. Instead, pursuant to the Financial Markets Conduct Act (Investore Property Limited) Exemption Notice 2016 granted by the Financial Markets Authority (the **Exemption Notice**), the only historical financial information provided in relation to those Acquisitions is the financial information of Investore for approximately six months between 1 October 2015 and 31 March 2016. This is because Investore does not hold, and is unable to obtain or recreate, sufficient historical financial information to enable financial statements to be provided in respect of the Antipodean Supermarkets Portfolio and the SCA Portfolio. Accordingly, the Exemption Notice exempts Investore from clause 35(3) of Schedule 3 of the Regulations in relation to its offer of equity securities to the extent that that clause applies to Investore's business acquisitions, namely large format retail properties from various vendors. For the purposes of the Financial Markets Conduct Act 2013 the transactions are business acquisitions. International Financial Reporting Standards allow such transactions to be treated as asset acquisitions.

A copy of the Exemption Notice is included on the Offer Register in the document entitled "*Financial Markets Conduct (Investore Property Limited) Exemption Notice 2016*".

3. Taxation consequences for investors

Tax can have significant consequences for investments and can affect your return from investing in Investore shares. If you have any queries relating to the tax consequences of investing in Investore shares, you should obtain professional advice on those consequences.

The comments below are of a general nature and are not meant to reflect the circumstances of any particular investor.

Investore will be a listed PIE

Investore will be a listed PIE, for New Zealand taxation purposes.

As a listed PIE, tax will be payable by Investore on its taxable income at the prevailing company taxation rate (28% at the time of this statement).

Tax paid will generate imputation credits, which Investore will attach to its distributions (see below).

Distributions from Investore

As a listed PIE, the New Zealand taxation treatment of any distributions made to investors from Investore will depend on the type of distribution and type of investor.

(Note: this section does not contemplate the foreign taxation treatment of Investore distributions for non-resident investors.)

Type of distribution

A distribution paid by Investore will comprise:

- Amounts with imputation credits attached (the "**imputed**" component of the distribution, which will comprise the amount plus the imputation credits); and/or
- Amounts without imputation credits attached (the "**excluded**" component of the distribution).

The classification of the Investore distribution (or any part thereof) is important as it will determine if an investor will need to include the amount in their tax return.

Resident individual (or trustee)

An investor who is a New Zealand tax resident individual (or trustee of a trust) does NOT need to include the imputed component and/or excluded component of any distribution from Investore in their tax return.

However, an investor may choose to include only the imputed component of any distribution as taxable income in their tax return, and can claim a credit for the attached imputation credit. Tax will then be payable at an investor's tax rate (up to 33%), so care needs to be taken when deciding whether to elect to treat the imputed component as taxable.

An investor with a tax rate of less than 28% may wish to treat the imputed component of any distribution as taxable income in their tax return to claim the imputation credit (as the imputation credit will exceed the investor's tax on the imputed component of the distribution).

Resident company (or other entity)

An investor who is a New Zealand tax resident company (or other entity investor) will need to return the imputed component of any distribution from Investore as taxable income. (The excluded component of any distribution should **NOT** be returned however.)

The investor can claim the imputation credits to offset any tax payable on the imputed component of the distribution.

Non-resident

An investor who is not a New Zealand tax resident will be subject to New Zealand withholding tax on the imputed component of the distribution from Investore. The rate of withholding tax will generally be 15%. (**NO** withholding tax will apply on the excluded component.)

Any New Zealand withholding tax liability may be reduced, or removed, if Investore is able and elects to pay a supplementary dividend under the supplementary dividend regime.

If Investore ceases to be a PIE

If Investore ceases to be a PIE, both imputed and excluded distributions will be taxable to a New Zealand resident investor (individual or entity) at their applicable tax rate (up to 33% for individuals and trusts).

Taxation advice should be sought on your personal circumstances

As investors' personal circumstances will differ, you should seek professional taxation advice on the taxation treatment of distributions from Investore.

Sale of Investore Shares

Proceeds from the sale of Investor Shares (acquired as part of the Offer or thereafter) will be taxable if the Shares were acquired with the dominant purpose (or intention) of resale, or if you are in the business of buying and selling shares. Other rules could also apply to tax any sales proceeds on the Investore Shares.

You should seek professional taxation advice on the sale, or other disposal, of the Offer Shares.

4. PwC Consent

In accordance with section 60(1)(b) of the Financial Markets Conduct Act 2013, it is stated that PricewaterhouseCoopers has provided Investore with its written consent to the inclusion on the Offer Register of its Investigating Accountant's Limited Assurance Report on Prospective Financial Information dated 10 June 2016 in the form and context in which such Report appears on the Offer Register.

5. How the price of the equity securities will be fixed

Investore has set an Indicative Price Range of \$1.37 to \$1.49 per Offer Share. All Offer Shares issued under the Offer will be issued at the Final Price. The Final Price will be set by way of a bookbuild managed by the Lead Manager ("Bookbuild"). The Bookbuild will take place on Thursday, 23 June 2016.

The Bookbuild is a process through which information is collated about the demand for the Offer Shares by selected Institutional Investors and NZX Firms on behalf of their clients participating in the Offer submitting bids for the number of Offer Shares they wish to purchase or be allocated at a range of prices for the Offer Shares. That information is then used to assist with the determination of the Final Price and allocations of the Offer Shares. Investore, after consultation with the Lead Manager, will set the Final Price following completion of the Bookbuild.

Investore reserves the right to set the Final Price within, above or below the Indicative Price Range. In setting the Final Price, Investore will take account of several factors, including the level of demand for Offer Shares at various prices, pricing indications from Institutional Investors and NZX Firms; Investore's desire for an informed and active trading market for the Shares on the NZX Main Board; and any other factors that Investore deems relevant.

The Final Price is expected to be announced and posted on the Offer website (www.shareoffer.co.nz/investore) on or about Friday, 24 June 2016.