



Artist's Impression of Commercial Bay at completion

PRECINCT PROPERTIES NEW ZEALAND LIMITED

FINAL TERMS SHEET

17 NOVEMBER 2017

\$100,000,000 fixed rate bonds



Arranger and Joint Lead Manager



Joint Lead Managers



Co-Manager



FINAL TERMS SHEET

FOR AN ISSUE OF \$100,000,000 FIXED RATE BONDS

This Terms Sheet sets out the key terms of the offer ("**Offer**") by Precinct Properties New Zealand Limited ("**Precinct**") of \$100,000,000 fixed rate bonds, maturing on 27 November 2024 ("**2024 Bonds**") under its master trust deed dated 27 November 2017 (as last amended on 25 August 2017 and as amended from time to time) ("**Trust Deed**"), as modified and supplemented by the supplemental trust deed dated 13 November 2017 (together with the Trust Deed, "**Trust Documents**") entered into between Precinct and The New Zealand Guardian Trust Company Limited ("**Supervisor**").

Unless the context otherwise requires, capitalised terms used in this Terms Sheet have the same meaning given to them in the Trust Documents. In this Terms Sheet, "**Business Day**" means a working day (as defined in the Interpretation Act 1999), except that in the context of Listing Rules it means a day on which the NZX Debt Market is open for trading.

Important Notice

The offer of debt securities by Precinct 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 Precinct's bonds maturing on 17 December 2021, which have a fixed interest rate of 5.54% per annum and are currently quoted on the NZX Debt Market under the ticker code PCT010 ("**Existing Bonds**").

Accordingly, the 2024 Bonds are the same class as the Existing Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014.

Precinct 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/PCT.

The Existing Bonds are the only debt securities of Precinct that are currently quoted in the same class as the 2024 Bonds.

Investors can refer to nzx.com/markets/NZDX/bonds to find out how the market assesses the returns and risk premium for the Existing Bonds. This website allows investors to compare the yield of the financial products listed on the NZX Debt Market. 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).

Key Terms of the 2024 Bonds

| | |
|--------------------|---|
| Issuer | Precinct Properties New Zealand Limited (" Precinct "). |
| Description | The 2024 Bonds are fixed rate secured bonds. The 2024 Bonds will be secured by Mortgages and will rank equally with certain other senior obligations of Precinct secured by the same Mortgages. |
| Security | The 2024 Bonds benefit (on an equal ranking basis with other secured creditors, including Precinct's lenders under the Bank Facility Agreement, Holders of the Existing Bonds, holders of the US\$75 million in principal amount of senior secured notes issued by Precinct to investors in the United States on 27 January 2015 and any future secured creditors) from mortgages over real property (" Mortgages ") granted from time to time by Precinct and the Guarantors (each, a " Security Provider "). In an insolvency of any of those Security Providers, the claims of the senior secured creditors will (by virtue of that security) rank ahead of all other creditors of that Security Provider other than certain statutorily preferred creditors. |
| Guarantee | The 2024 Bonds are guaranteed on a joint and several basis by the Guarantors. The guarantee obligations of the Guarantors are not limited and are secured by the Mortgages. As at the date of this Terms Sheet, the Guarantors are Precinct Properties Holdings Limited and Precinct Properties Wynyard Limited. |
| Purpose | Precinct will use the net proceeds of the Offer to repay a portion of bank debt facilities and for general corporate purposes. |

| | |
|--|---|
| No Rating | The 2024 Bonds are unrated. |
| Issue Amount | \$100,000,000 |
| Opening Date | Monday, 13 November 2017. |
| Closing Date | 12.00pm, Friday, 17 November 2017. |
| Rate Set Date | Friday, 17 November 2017. |
| Issue Date and Allotment Date | Monday, 27 November 2017. |
| Expected Date of initial quotation on NZX Debt Market | Tuesday, 28 November 2017. |
| Maturity Date | Wednesday, 27 November 2024. |
| Interest Rate | 4.42% per annum, being the sum of the Issue Margin and the Base Rate. The Interest Rate is greater than the minimum interest rate for the offer of 4.40%. Interest will accrue from the Issue Date of the 2024 Bonds. |
| Issue Margin | 1.50% per annum. |
| Base 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 Precinct, according to market convention, with reference to Reuters page ICAPKIWISWAP2 (or any successor page) on the Rate Set Date and rounded to 2 decimal places, if necessary, with 0.005 being rounded up. |
| Interest Payments | Interest will be payable semi-annually in arrear in equal amounts on 27 May and 27 November of each year up to and including the Maturity Date. If an Interest Payment Date is not a Business Day, the due date for the payment to be made on that date will be the next following Business Day and no adjustment will be made to the amount payable as a result of the delay in payment. The First Interest Payment Date is on 27 May 2018. As this is a Sunday, interest will be payable on Monday, 28 May 2018. |
| Loan to Value Ratio | Precinct must ensure that while the 2024 Bonds are outstanding, the total principal amount of all outstanding borrowed money secured by the Mortgages does not exceed 50% of the Mortgaged Property Value (the " Loan to Value Ratio "). A breach of the Loan to Value Ratio covenant will not automatically trigger an Event of Default, but will instead trigger an Event of Review. Following that breach, Precinct may have up to 13 months to remedy the breach before it will trigger an Event of Default (up to six months to remedy the breach and, if the breach is not remedied and after Precinct has given notice of the failure to remedy the breach (such notice to be provided within 20 Business Days after the end of that six month period), six months to execute any plan provided to the Supervisor to remedy the relevant breach). For full details of the Events of Default and Events of Review, see clauses 11.1 and 11.2 of the Master Trust Deed. |

FINAL TERMS SHEET (CONTINUED)

| | |
|---|--|
| Permitted Security | <p>As a general matter, Precinct undertakes to the Holders that it will not grant security over any of its assets. There are certain exclusions to this undertaking, being security:</p> <ul style="list-style-type: none"> • granted over debt in an amount equal up to 15% of the Group's Total Tangible Assets. However, such security is only permitted if there is no Event of Default at the time the security is granted and one will not occur as a result of granting such security; or • which arises by statute; or • which is in favour of the Security Trustee; or • granted with the consent of the Bank Facility Lenders. <p>The consent of Holders for Precinct to grant security over any of its assets is not required in the above circumstances. Such security may rank behind the Mortgages or may be over assets which Holders do not have security over.</p> |
| Distribution Stopper | Precinct is not permitted to make any Distribution to any person outside the Group if an Event of Default has occurred and is continuing or if the making of the Distribution would result in the occurrence of an Event of Default. |
| Brokerage | <p>0.50% brokerage plus 0.25% on firm allocations paid by Precinct.</p> <p>Such amounts will be distributed as appropriate to Primary Market Participants and approved financial intermediaries.</p> |
| Record Date | The tenth calendar day before the due date for that payment or, if that day is not a Business Day, the preceding Business Day or such other date as is advised by the Registrar to Holders from time to time. |
| Principal Amount and Issue Price | \$1.00 per 2024 Bond. |
| Minimum Application | The minimum application is \$5,000, with multiples of \$1,000 thereafter. |
| Registrar | Computershare Investor Services Limited. |
| Further Indebtedness | Precinct may, without the consent of the Holders of the 2024 Bonds, issue additional securities or other debt obligations on such other terms and conditions as Precinct may think fit. |
| How to apply | <p>All of the 2024 Bonds are reserved for clients of the Joint Lead Managers, institutional investors and other primary market participants invited to participate in the bookbuild. There will be no public pool for the offer. Accordingly, retail investors should contact any Joint Lead Manager, their financial adviser or any primary market participant for details on how they may acquire 2024 Bonds. You can find a primary market participant by visiting www.nzx.com/investing/find_a_participant.</p> <p>In respect of oversubscriptions or generally, any allotment of 2024 Bonds will be at Precinct's discretion, in consultation with the Joint Lead Managers. Precinct 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 2024 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> |
| ISIN | NZPCTDT002C9. |

Transfers

Holders are entitled to sell or transfer their 2024 Bonds at any time subject to the terms of the Trust Documents and applicable securities laws and regulations. Precinct may decline to register a transfer of 2024 Bonds for the reasons set out in the Trust Documents.

The minimum amount of 2024 Bonds a Holder can transfer is \$1,000, and integral multiples of \$1,000 thereafter. No transfer of 2024 Bonds or any part of a Holder's interest in a 2024 Bond will be registered if the transfer would result in the transferor or the transferee holding or continuing to hold 2024 Bonds with an aggregate principal amount of less than the minimum holding of \$5,000 (other than zero).

NZX has approved these restrictions on the transfer of the 2024 Bonds.

NZX Quotation

Precinct will take any necessary steps to ensure that the 2024 Bonds are, immediately after issue, quoted. Application has been made to NZX for permission to quote the 2024 Bonds on the NZX Debt Market and all the requirements of NZX relating thereto 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 Debt Market Ticker Code

PCT020.

NZX Waivers

NZX has granted Precinct a waiver from NZX Listing Rule 5.2.3 to enable Precinct to apply for quotation on the NZX Debt Market even though the 2024 Bonds may not initially be held by at least 100 members of the public holding at least 25% of the 2024 Bonds issued. The waiver has been granted for a period of six months from the quotation date of the 2024 Bonds. The effect of the waiver from NZX Listing Rule 5.2.3 is that initially the 2024 Bonds may not be widely held and there may be reduced liquidity in the 2024 Bonds. To the extent that there is a material reduction in the spread of the 2024 Bonds, Precinct will notify NZX accordingly.

NZX has also granted Precinct a waiver from NZX Listing Rule 7.11.1 to allow allotment of the 2024 Bonds to occur within six Business Days of the Closing Date.

Selling Restrictions

The 2024 Bonds may only be offered for sale or sold in New Zealand in conformity with all applicable laws and regulations in New Zealand. No 2024 Bonds may be offered for sale or sold in any other country or jurisdiction except with the prior consent of Precinct and in conformity with all applicable laws and regulations of that country or jurisdiction and the selling restrictions contained in this Terms Sheet.

This Terms Sheet may not be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations in that country or jurisdiction and the selling restrictions contained in this Terms Sheet.

By purchasing the 2024 Bonds, each Holder agrees to indemnify Precinct in respect of any loss, cost, liability or expense sustained or incurred by Precinct as a result of the breach by the Holder of the selling restrictions set out above.

The dates set out in this Terms Sheet are indicative only and are subject to change. Precinct has the right in its absolute discretion and without notice to close the Offer early, to accept late applications, to extend the Closing Date (subject to the applicable NZX Listing Rules) or to choose not to proceed with the Offer. If the Closing Date is extended, subsequent dates may be extended accordingly. If Precinct chooses not to proceed with the Offer, all application monies received will be refunded (without interest) as soon as practicable (within 10 Business Days).

Copies of the Trust Documents can be obtained on request to the Registrar or Precinct at the addresses set out below (or such office as may be notified to Holders).

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.

Investors should seek qualified independent financial and taxation advice before deciding to invest. In particular, you should consult your tax adviser in relation to your specific circumstances. Investors will also be personally responsible for ensuring compliance with relevant laws and regulations applicable to them (including any required registrations).

FINAL TERMS SHEET (CONTINUED)

For further information regarding Precinct, visit www.nzx.com/companies/PCT.

CONTACT DETAILS

| | Name | Contact details |
|-------------------------------------|--|---|
| Issuer | Precinct Properties New Zealand Limited | Level 12 188 Quay Street Auckland 1010 Telephone: +64 9 222 0070 Email: hello@precinct.co.nz |
| Registrar | Computershare Investor Services Limited | Level 2, 159 Hurstmere Road Takapuna Auckland 0622 Private Bag 92119 Auckland 1142 Telephone: +64 9 488 8777 |
| Arranger and Organising Participant | ANZ Bank New Zealand Limited | Level 26, ANZ Centre 23-29 Albert Street Auckland 1010 Telephone: 0800 269 476 |
| Joint Lead Managers | ANZ Bank New Zealand Limited | Level 10, ANZ Centre 171 Featherston Street Wellington 6140 Telephone: 0800 269 476 |
| | First NZ Capital Securities Limited | Level 39, ANZ Centre 23-29 Albert Street Auckland 1010 Telephone: 0800 005 678 |
| | Forsyth Barr Limited | Level 23, Lumley Centre 88 Shortland Street Auckland 1010 Telephone: 0800 367 227 |
| Co-Manager | Hobson Wealth Partners Limited | Level 17, Lumley Centre 88 Shortland Street Auckland 1010 Telephone: 0800 742 737 |
| Supervisor | The New Zealand Guardian Trust Company Limited | Level 15 191 Queen Street Auckland, 1010 |
| Security Trustee | Public Trust | Level 35, Vero Centre 48 Shortland Street Auckland, 1010 |
| Legal advisors to Precinct | Chapman Tripp | Level 38, ANZ Centre 23-29 Albert Street Auckland, 1010 |

