

bond



terms sheet

fixed-rate senior secured bonds
maturing 12 November 2025

joint lead managers



Deutsche
CRAIGS



co-manager



kiwi property terms sheet – fixed-rate senior secured bonds

Maturing 12 November 2025

29 October 2018

This terms sheet (**Terms Sheet**) sets out the key terms of the offer by Kiwi Property Group Limited (**Kiwi Property**) of up to \$100 million (with the ability to accept oversubscriptions of up to \$25 million at Kiwi Property's discretion) of seven-year fixed-rate senior secured bonds maturing on 12 November 2025 (**Bonds**). The Bonds will be issued under a master trust deed dated 30 June 2014 (as amended from time to time) and supplemented by a supplemental trust deed dated 29 October 2018 entered into between Kiwi Property as issuer and Public Trust as supervisor (**Supervisor**) (together, the **Bond Trust Documents**).

Important notice

The offer of Bonds by Kiwi Property 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 Kiwi Property's:

- \$125 million fixed-rate senior secured bonds maturing on 20 August 2021 (with a fixed interest rate of 6.15% per annum), which are currently quoted on the NZX Debt Market under the ticker code KPG010,
- \$125 million fixed-rate senior secured bonds maturing on 7 September 2023 (with a fixed interest rate of 4.00% per annum), which are currently quoted on the NZX Debt Market under the ticker code KPG020,
- \$125 million fixed-rate senior secured bonds maturing on 19 December 2024 (with a fixed interest rate of 4.33% per annum), which are currently quoted on the NZX Debt Market under the ticker code KPG030,

(the KPG010, KPG020 and KPG030 bonds, together the **Existing Bonds**).

The Bonds are of the same class as the Existing Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014 (**FMC Regulations**).

Kiwi Property 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/KPG/announcements.

The Existing Bonds are the only debt securities of Kiwi Property that are in the same class as the Bonds and are currently quoted on the NZX Debt Market.

Investors should look to the market price of the Existing Bonds referred to above to find out how the market assesses the returns and risk premium for those bonds.

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

The dates set out in this Terms Sheet are indicative only and Kiwi Property, in conjunction with the Joint Lead Managers, may change the dates set out in this Terms Sheet. Kiwi Property has the right in its absolute discretion and without notice to close the offer early, to extend the Closing Date (subject to the Listing Rules), or to choose not to proceed with the offer. If the Closing Date is changed, other dates (such as the Issue Date, the Maturity Date and the Interest Payment Dates) may be changed accordingly.

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 sites are not incorporated by reference into, and do not form part of, this Terms Sheet.

Copies of the Bond Trust Documents will be made available by Kiwi Property for inspection during usual business hours by any Bondholder at Kiwi Property's registered office listed on the final page of this Terms Sheet (or such office as Kiwi Property may notify the Bondholders from time to time).

Investors should seek qualified, independent financial and taxation advice before deciding to invest.

For further information regarding Kiwi Property, visit www.nzx.com/companies/KPG.

Issuer	Kiwi Property Group Limited.
Group	The Issuer and each of its subsidiaries.
Description	The Bonds are fixed-rate senior secured bonds of the Issuer.
Issue Amount	Up to \$100 million (with the ability to accept oversubscriptions of up to an additional \$25 million, at Kiwi Property's discretion). The offer is not underwritten.
Minimum Application Amount and Minimum Holding	\$5,000 and in multiples of \$1,000 thereafter.
Opening Date	Monday, 29 October 2018, immediately following release on the NZX Debt Market of the notice required by the FMC Regulations in connection with the offer.
Closing Date	11.00am on Friday, 2 November 2018.
Rate Set Date	Friday, 2 November 2018.
Issue / Allotment Date	Monday, 12 November 2018.
Maturity Date	Wednesday, 12 November 2025.
Purpose	The proceeds from the issue of the Bonds will initially be used to repay bank debt and for general corporate purposes (including future investment and development opportunities).
Ranking	The Bonds rank equally and without preference among themselves and equally with any other secured indebtedness owing to a Beneficiary under the security trust deed dated 30 June 2014 (as amended from time to time) (Security Trust Deed).
Guarantors	Certain wholly owned subsidiaries of the Issuer guarantee the obligations of the Issuer in relation to the Bonds pursuant to a global security deed dated 5 November 1998 (as amended from time to time) (GSD). At the date of this Terms Sheet, the guaranteeing subsidiaries are Kiwi Property Holdings Limited, Kiwi Property Holdings No. 2 Limited, Sylvia Park Business Centre Limited and Kiwi Property Te Awa Limited (together with the Issuer, the Guarantors). The total assets held by the Guarantors must equal or exceed 90% of the total assets of the consolidated Group.
Guarantee	Each Guarantor guarantees the due and punctual payment of all amounts payable by Kiwi Property to holders of Bonds (Bondholders) in respect of the Bonds on a joint and several basis. There are no limits on the obligations of the Guarantors in respect of the amounts owing under the guarantee.
Security	The Guarantors have granted security over all of their assets under the GSD in favour of New Zealand Permanent Trustees Limited acting as security trustee for the Bondholders and certain other secured creditors of the Group (Security Trustee) on an equal ranking basis. The security includes a security interest over all personal property, a charge over real property and an agreement to mortgage in respect of real property, and secures all amounts owing to the applicable secured creditors. The security is held by the Security Trustee for all Beneficiaries (as defined therein) under the Security Trust Deed (including existing Bondholders, the Group's bank facility lenders and hedging providers and any new future secured creditors) on an equal ranking basis. In an insolvency of a Guarantor, the claims of the senior secured creditors (including the Bondholders) will, by virtue of that security, rank ahead of all other unsecured creditors of the relevant Guarantor other than certain statutorily preferred creditors. The Issuer and the Guarantors have also agreed, under the Security Trust Deed, not to create or allow to exist any other security interests over their assets other than certain permitted security interests (which include, among others, any security created in favour of the Security Trustee and security interests securing finance debt that does not exceed 5% of the Group's total tangible assets).
Gearing Covenant	The Bond Trust Documents include a gearing covenant that requires the Issuer to ensure that, for so long as any Bonds are outstanding, Finance Debt of the Group does not exceed 45% of the Total Tangible Assets of the Group at all times. An unremedied breach of the Gearing Covenant would be an Event of Default under the Bond Trust Documents.

Event of Default	<p>Upon the occurrence of an event of default as set out in the Bond Trust Documents, the Supervisor may in its discretion, and it must, for certain payment defaults or where a Gearing Covenant breach remains unremedied after a 13-month remedy period or upon being directed to do so by an extraordinary resolution of Bondholders, declare the principal amount, all accrued interest and any other amounts due and payable on the Bonds to be immediately due and payable.</p> <p>You should refer to the Bond Trust Documents for a description of the specific events which constitute events of default.</p>				
Further Indebtedness	The Group may incur additional Finance Debt (including bank debt or debt in respect of new bonds), without the consent of Bondholders while the Bonds are outstanding.				
Credit Ratings	<p>S&P Global Ratings (S&P)</p> <table border="0"> <tr> <td>Kiwi Property Corporate Credit Rating</td> <td>Expected Issue Credit Rating</td> </tr> <tr> <td>BBB (stable)</td> <td>BBB+</td> </tr> </table> <p>S&P has assigned a BBB corporate credit rating to Kiwi Property and an issue credit rating of BBB+ to the Existing Bonds. S&P is expected to assign a BBB+ issue credit rating to the Bonds.</p> <p>Further information about S&P's credit rating scale is available at www.standardandpoors.com. A rating is not a recommendation by any rating organisation to buy, sell, or hold Kiwi Property securities. The above ratings are current as at the date of this Terms Sheet and (together with any rating ascribed to the Bonds) may be subject to suspension, revision or withdrawal at any time by S&P.</p>	Kiwi Property Corporate Credit Rating	Expected Issue Credit Rating	BBB (stable)	BBB+
Kiwi Property Corporate Credit Rating	Expected Issue Credit Rating				
BBB (stable)	BBB+				
Series Identifier	Tranche 01 of Series 04.				
Early Repayment	Other than following an Event of Default (as set out in the Bond Trust Documents), Bondholders have no right to require Kiwi Property to redeem the Bonds prior to the Maturity Date. Kiwi Property does not have the right to redeem the Bonds early.				
Interest Rate	<p>The Interest Rate will be set on the Rate Set Date as being equal to the Base Rate plus the Margin, subject to a minimum Interest Rate of 4.00 per cent per annum.</p> <p>The Interest Rate will be announced by Kiwi Property via NZX on or shortly after the Rate Set Date.</p>				
Indicative Issue Margin	1.45 to 1.55 per cent per annum.				
Margin	The Margin (which may be above or below the Indicative Issue Margin range), will be determined by Kiwi Property (in consultation with the Joint Lead Managers) following a bookbuild process and announced via NZX on or shortly after the Rate Set Date.				
Base Rate	The semi-annual 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 Joint Lead Managers in consultation with Kiwi Property, according to market convention, with reference to Bloomberg page 'ICNZ4' (or any successor page) on the Rate Set Date (rounded to 2 decimal places, if necessary, with 0.005 being rounded up).				
Interest Payments	Semi-annually in arrear in equal amounts.				
Interest Payment Dates	<p>12 May and 12 November of each year up to and including the Maturity Date.</p> <p>The first Interest Payment Date will be 12 May 2019.</p>				
Payment of Interest	Interest will be payable on an Interest Payment Date to the Bondholder as at the Record Date immediately preceding the relevant Interest Payment Date.				
Record Date	The Record Date for Interest Payment Dates and the Maturity Date is 5.00pm on the tenth calendar day before the relevant Interest Payment Date or Maturity Date or, if that day is not a Business Day, the next Business Day.				

Business Days	<p>A day (other than a Saturday or Sunday) on which registered banks are generally open for business in Auckland and Wellington.</p> <p>If an Interest Payment Date or the Maturity Date falls on a day that is not a Business Day, the due date for any payment to be made on that date will be the next Business Day.</p>
Principal Amount	\$1.00 per Bond.
Registrar and Paying Agent	<p>Link Market Services Limited.</p> <p>The Bonds will be accepted for settlement within the NZClear system.</p>
Transfer Restrictions	As a Bondholder, you may only transfer Bonds if the transfer is in respect of Bonds having an aggregate Principal Amount that is an integral multiple of \$1,000. However, Kiwi Property will not register any transfer of Bonds if the transfer would result in the transferor or the transferee holding or continuing to hold Bonds with an aggregate Principal Amount of less than \$5,000, unless the transferor would then hold no Bonds.
NZX Debt Market Quotation	<p>It is a term of the offer that the Issuer will take any necessary steps to ensure that the Bonds are, immediately after being issued, quoted on the NZX Debt Market.</p> <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 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.</p>
Expected Date of Initial Quotation and Trading on NZX Debt Market	Tuesday, 13 November 2018.
NZX Debt Market Ticker Code	KPG040.
ISIN	NZKPGD0040L4.
Who May Apply for Bonds	<p>All of the Bonds are reserved for subscription by clients of the Joint Lead Managers, the Co-Manager, institutional investors and other Primary Market Participants invited to participate in the bookbuild.</p> <p>There will be no public pool for the Bonds.</p> <p>Retail investors should contact a Joint Lead Manager, the Co-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 www.nzx.com/services/market-participants.</p> <p>Each investor's broker or financial adviser will be able to advise them as to what arrangements will need to be put in place for the investor 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>
NZX Approval	NZX has granted approval under NZX Listing Rule 11.1.5 to enable Kiwi Property to include transfer restrictions in the Bond Trust Documents permitting Kiwi Property to refuse a transfer of the Bonds if the transfer is not in a multiple of \$1,000 and/or results in the transferor or the transferee holding an aggregate principal amount of less than the minimum holding of \$5,000, unless the transferor would then hold no Bonds.
Waiver	NZX has granted Kiwi Property a waiver from NZX Listing Rule 7.11.1 to allow allotment of the Bonds six Business Days after the Closing Date.
Governing Law	New Zealand.
Joint Lead Managers	ANZ Bank New Zealand Limited, Deutsche Craigs Limited and Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch).
Co-Manager	Forsyth Barr Limited.
Organising Participant	Craigs Investment Partners Limited.
Fees	<p>Brokerage: 0.50%.</p> <p>Firm Fee: 0.25%.</p>

Selling Restrictions

Part A – Initial Selling Restrictions

If sold in New Zealand, the Bonds may only be offered in New Zealand in conformity with all applicable laws and regulations in New Zealand. In respect of the initial offer of the Bonds by the Issuer under this Terms Sheet (**Initial Offer**), no Bonds may be offered in any other country or jurisdiction except in conformity with all applicable laws and regulations of that country or jurisdiction and the applicable selling restrictions set out below in this Part A. 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 applicable selling restrictions set out below in this Part A. For the avoidance of doubt, the selling restrictions set out below in this Part A apply only in respect of the Initial Offer.

United States of America

The Bonds have not been and will not be registered under the Securities Act of 1933, as amended (**Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)).

None of the Issuer, the Joint Lead Managers, the Organising Participant, the Co-Manager nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts (as defined in Regulation S) in relation to the Bonds, and each of the Issuer, the Joint Lead Managers, the Organising Participant and the Co-Manager have complied and will comply with the offering restrictions in Regulation S.

The Bonds will not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time, or (ii) otherwise until 40 days after the completion of the distribution of all Bonds, as determined and certified by the Joint Lead Managers, the Organising Participant, or the Co-Manager. Any Bonds sold to any distributor, dealer or person receiving a selling concession, fee or other remuneration during the distribution compliance period require a confirmation or notice to the purchaser at or prior to the confirmation of the sale to substantially the following effect:

“The Bonds covered hereby have not been registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Bonds and the closing date. Terms used above have the meaning given to them by Regulation S.”

Relevant Member States of the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) no Bonds have been offered and no Bonds will be offered that are the subject of the offering contemplated by this Terms Sheet in relation thereto to the public in that Relevant Member State except that an offer of Bonds to the public in the Relevant Member State may be made with effect from the Relevant Implementation Date:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Joint Lead Manager and/or Joint Lead Managers, the Organising Participant and/or the Co-Manager nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Bonds shall require the Issuer, any Joint Lead Managers, the Organising Participant, or the Co-Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of the Bonds to the public in relation to any Bonds in any Relevant Member State** means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

No communication, invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (**FSMA**)) has been or may be made or caused to be made or will be made in connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA applies to the Issuer.

All applicable provisions of the FSMA with respect to anything done in relation to the Bonds in, from or otherwise involving the United Kingdom must be complied with.

Japan

The Bonds have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **FIEA**) in reliance upon the exemption from the registration requirements since the offering constitutes the small number private placement as provided for in “*ha*” of Article 2, Paragraph 3, Item 2 of the FIEA. A Japanese Person who transfers the Bonds shall not transfer or resell the Bonds except where the transferor transfers or resells all the Bonds en bloc to one transferee. For the purposes of this paragraph, **Japanese Person** shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Singapore

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the **SFA**), Kiwi Property has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Bonds are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Each Joint Lead Manager, the Organising Participant and the Co-Manager has acknowledged that this Terms Sheet has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager, the Organising Participant and the Co-Manager has represented, warranted and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Terms Sheet or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA pursuant to Section 274 of the SFA), (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law; or
- (4) as specified in Section 276(7) of the SFA.

Hong Kong

No Bonds have been offered or sold or will be or may be offered or sold in Hong Kong, by means of any document other than (a) to **professional investors** as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a **prospectus** as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMPO)**) or which do not constitute an offer to the public within the meaning of the C(WUMPO).

No advertisement, invitation or document relating to the Bonds may be issued or in the possession of any person or will be issued or be in the possession of any person in each case for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to **professional investors** as defined in the SFO and any rules made under the SFO.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (**Corporations Act**)) in relation to the Bonds has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission (**ASIC**) or any other regulatory authority in Australia. No person may:

- (a) make or invite (directly or indirectly) an offer of the Bonds for issue, sale or purchase in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) distribute or publish, any Terms Sheet, information memorandum, prospectus or any other offering material or advertisement relating to the Bonds in Australia, unless:
 - (i) the aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act;
 - (ii) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act;
 - (iii) such action complies with all applicable laws, regulations and directives; and
 - (iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

By applying for the Bonds under this Terms Sheet, each person to whom the Bonds are issued (an **Investor**):

- (a) will be deemed by the Issuer, any Joint Lead Manager, the Organising Participant and the Co-Manager to have acknowledged that if any Investor on-sells the Bonds within 12 months from their issue, the Investor will be required to lodge a prospectus or other disclosure document (as defined in the Corporations Act) with ASIC unless either:
 - (i) that sale is to an investor within one of the categories set out in sections 708(8) or 708(11) of the Corporations Act to whom it is lawful to offer the Bonds in Australia without a prospectus or other disclosure document lodged with ASIC; or
 - (ii) the sale offer is received outside Australia; and
- (b) will be deemed by the Issuer, any Joint Lead Manager, the Organising Participant and the Co-Manager to have undertaken not to sell those Bonds in any circumstances other than those described in paragraphs (a)(i) and (a)(ii) above for 12 months after the date of issue of such Bonds.

This Terms Sheet is not, and under no circumstances is to be construed as, an advertisement or public offering of any Bonds in Australia.

Switzerland

The Bonds shall not be publicly offered, sold, advertised, distributed or redistributed, directly or indirectly, in or from Switzerland, and neither this Terms Sheet nor any other solicitation for investments in the Bonds may be communicated, distributed or otherwise made available in Switzerland in any way that could constitute a public offering within the meaning of Articles 652a and 1156 of the Swiss Code of Obligations ('**CO**') or of Article 3 of the Swiss Federal Act on Collective Investment Schemes ('**CISA**') unless the legal and regulatory conditions imposed on a public offering under the CO or CISA are satisfied. This Terms Sheet does not constitute a public offering within the meaning of Articles 652a, respectively 1156, of the CO and of Article 5 of the CISA and may not comply with the information standards required thereunder, and in particular with the guidelines on informing investors about structured products as published in September 2014 by the Swiss Bankers Association, as applicable. The Bonds do not constitute collective investments within the meaning of the CISA. Accordingly, holders of the Bonds do not benefit from protection under the CISA or from the supervision of the Swiss Financial Market Supervisory Authority. Investors are exposed to the default risk of Kiwi Property.

Part B – General Selling Restrictions

The Bonds may only be offered for sale or sold in New Zealand. The Issuer has not and will not take any action which would permit a public offering of the Bonds, or possession or distribution of any offering material, in any country or jurisdiction where action for that purpose is required (other than New Zealand). The Bonds may only be offered for sale or sold in compliance with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered. Any information memorandum, terms sheet, circular, advertisement or other offering material in respect of the Bonds may only be published, delivered or distributed in or from any country or jurisdiction under circumstances which will result in compliance with all applicable laws and regulations.

directory

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